

Purchasing Week

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After the Brawl Is Over: How Steel Will Flow



CARS, CARS, CARS—all eyes turn to Detroit. Read how small cars alter buyers' plans (below), what the new small cars offer (Perspective, p. 35), and how new models stack up (Buyers Guide, p. 15).

'We Can't Say No,' Fleet Buyers Say As Compact Cars Roll Out of Detroit

New York—"We can't say no to the new small cars—they're exactly what the fleet industry has been screaming for. They have less chrome and more economy." This opinion from the transportation director of a Midwest meat company sums up most fleet buyers' plans for 1960.

PURCHASING WEEK surveyed industrial purchasing agents, governmental agencies, and rental concerns all over the U. S. to see what the introduction of the Big Three's "little-three" would mean to fleet owners.

Quantities and makes haven't been determined in many instances, but one fact is clear: The Big Three small cars are going to get a big play from fleets.

The purchasing agent for a Texas power company says he plans "to buy heavily in the small car market." The firm has defi-

nately decided to try the Falcon and Corvair and will add to its supply of Larks and Ramblers. It may try the Chrysler small car, but has not decided.

The reason for switching to small cars is typical. The company has found them more economical to run, easier to park, and compact when it comes to storage space. "We are interested in functional transportation, not a lot of chrome or overhang." The new small cars look like they will be a reliable means of trans-

(Turn to page 16, column 1)

Foreign Buying, Recognition, Top N.I.G.P. Agenda

Cleveland—State and local purchasing officials who gathered at the annual National Institute of Governmental Purchasing (N.I.G.P.) conference last week had two main objectives in mind:

- To find a solution to the growing problem of buying foreign-made products.

- To set a well-planned, direct course toward increased professional recognition.

The subject of foreign imports (see story, p. 8) and their impact on governmental buying agencies brought the loudest, hottest, and longest discussions at the four-day meeting.

The only agreement reached on the problem, discussed at a round table session headed by John G. Krieg, city purchasing (Turn to page 47, column 3)

Punctures Window Costs

Santa Monica—Shatterproof, translucent, fiberglass reinforced plastic glazing panes have slashed maintenance costs at the California Rehabilitation Center here. Here's how:

High ocean winds had a way of cracking and shattering window-pane glass. Each time a pane went out it cost \$2.75 for replacement. The Center now has converted its panes to fiberglass panels made by Filon Plastic Corp. of El Segundo. Cost of installation is about \$2.75 per pane.

The payoff? "Ever since we installed the fiberglass panes," says the Center's chief engineer Burt Coburn, "we haven't had any crack or shatter . . . and no complaints about glare or rattling. Once installed, the only time we're concerned is when we wash them."

Federal Procurement Men Also Like Compact Autos

Washington—Federal government procurement officers are showing keen interest in the new compact cars.

The military has gone in for small-car buying in a big way and the civilian agencies are eyeing them as possible economy buys for the government's big auto fleets.

The General Services Administration, central buying arm of government, has just completed drawing up new specifications on the new compact cars. The Pentagon is still working on its specs and hopes to complete them shortly.

No orders have been placed (Turn to page 7, column 1)

Major Industry Producers Foresee Lengthy Period Of Readjustment in Production, Delivery, Prices

Pittsburgh—When steelmakers get their mills back into operation, you can figure that the production-delivery-price situation will shape up this way:

1. PRODUCTION: Ingots will get off to a slow start, taking three to four weeks to reach anything near an all-out production pace. Ending of the strike will mean production of an estimated 20 to 22-million ingot tons during the next 12 weeks.

2. DELIVERIES: A trickle will begin immediately at termination of the walkout. An estimated 500,000 tons of finished products in mill warehouses and on shipping floors will move out almost immediately. But after the initial flow of mill steel, there will be a lull as operating men sweat to refill pipelines with newly-made metal. (See timetable below.)

3. PRICES: Gray-market pricing may continue into November, thriving on steel-starved firms far down on the mill order lists. Steel industry spokesmen, testifying before the Taft-Hartley fact-finding board in Washington last week, continued to hold out the hope of steady prices and the possibility of some reductions—provided the cost of eventual contract settlement isn't too stiff.

• • •

Steel production men in Pittsburgh and in other mill towns throughout the nation rushed preparations last week for refiring furnaces and restoring normal output as quickly as possible after union members get the word to return to work.

The first big push will be to ship finished steel already available in the idled mills. This will be followed quickly by steel-in-process, which can be finished soon.

The first deliveries of finished steel products from mills will include some large orders of wide flange beams, standard pipe, and cold-finished bars.

Some mills aim to start a substantial flow of semi-finished (billets, blooms, skelp, tube rounds) within a week. Most hope to accelerate to a substantial production pace within not more than two weeks.

But it will take from three to four weeks, in integrated plants, to reach an all-out capacity pace when the entire steelmaking and processing operations swing back into balance.

The most pessimistic steel analysts forecast 15 million ingot tons, possibly as many as 20 million, during the next 10 weeks. Other estimates run slightly higher.

In any event, production during November and December—added to the 70 million tons already produced in the U. S. this (Turn to page 48, column 4)

The Post-Strike Pattern

When the steel mills start shipments again, here's the approximate timetable of deliveries:

Cold-rolled Sheet—Small shipments, (perhaps 25% of normal), in one week. Full capacity production in three to five weeks, depending on mill.

Galvanized Sheets and Tin Plate—Same as for cold-rolled sheet.

Hot-rolled Bars—Shipments at 25% of normal in one week, full capacity in two weeks.

Manufacturer's Wire—10 to 20% of normal within two weeks. Near-normal in about 30 to 40 days.

Plates—Same as for bars.

Seamless Tubing—Fairly good shipments in 10 days. Full output in five to six weeks.

Small Structurals—Early shipments within five days. Near-normal production in about three weeks.

Stainless Sheet and Bars—Small shipments within a week. Fairly good flow within two weeks. Substantial shipments within four weeks.

Wide-Flange Beams—Small shipments in a week or less. Normal shipments in about two weeks.

Purchasing Perspective

Purchasing Pitfalls In Defense Work

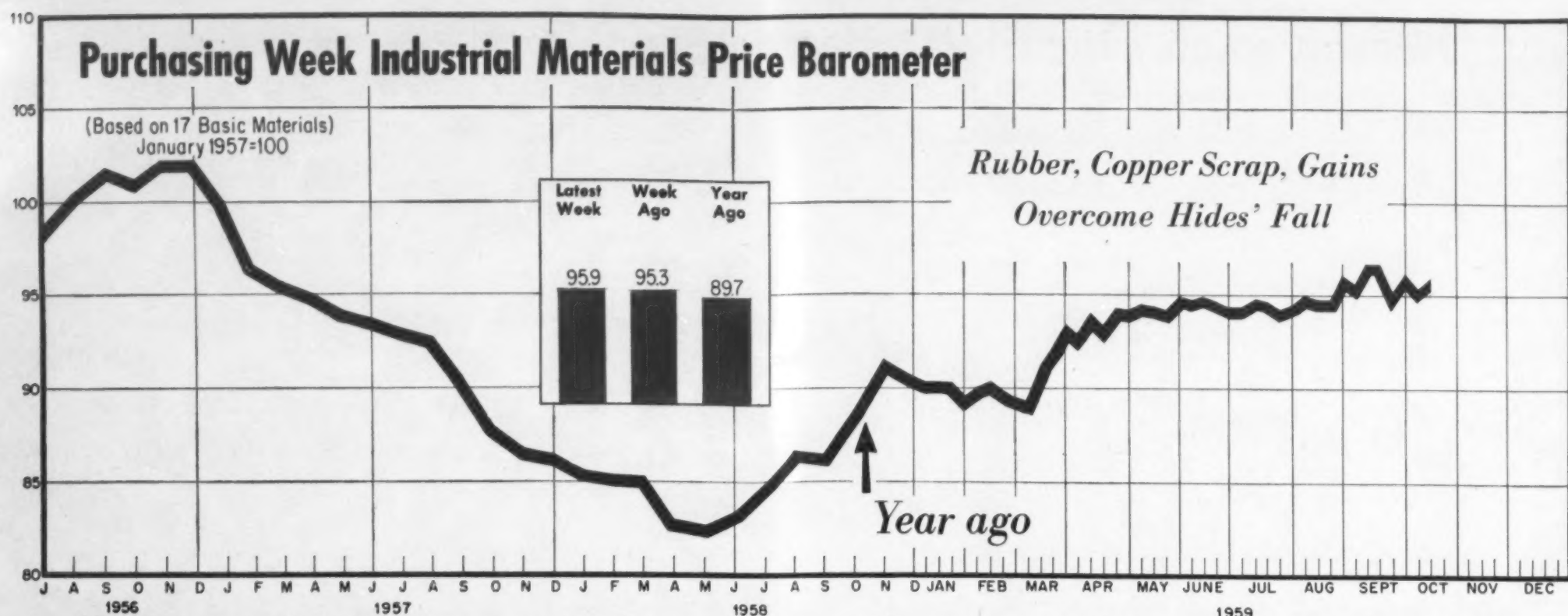
The slippery field of government subcontracts makes even the Boy Scout admonition—"Be Prepared"—fall short as a rule for the purchasing agent.

Those who have been through the mill advise; "Be twice prepared—and hope for the best."

When a firm takes on a government subcontract, the purchasing agent often has the responsibility of moving government material and signing payment orders. Thrust into the bewildering arena of government contracts, he must do a fast job of assimilation.

The industrial purchasing executive finds himself in a situation where specifications (due to technical advances) are constantly changing on one hand . . . and basic programs are being revised on the other.

Without legal training or adequate legal advice, the purchasing (Turn to page 47, column 1)



This index was designed by the McGraw-Hill Department of Economics to serve as an over-all sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's Commodity Prices

METALS

	Oct 14	Oct 7	Year Ago	% Yrly Change
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton	41.00	41.00	43.50	- 5.8
Steel scrap, #1 heavy, del. Cleve., gross ton	41.00	40.00	40.00	+ 2.5

Steel scrap, #1 heavy, del. Chicago, gross ton	43.00	42.00	43.50	- 1.2
Aluminum, pig, lb	.247	.247	.247	0
Secondary aluminum, #380 lb	.238	.238	.218	+ 9.2
Copper, electrolytic, wire bars, refinery, lb	.324	.326	.273	+18.7
Copper scrap, #2, smelters price, lb	.248	.248	.235	+ 5.5

Lead, common, N.Y., lb	.13	.13	.13	0
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.74	0
Tin, Straits, N.Y., lb	1.024	1.031	.961	+ 6.6
Zinc, Prime West, East St. Louis, lb	.12	.12	.11	+ 9.1

FUELS†

Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.37	0
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.15	0
LP-Gas, Propane, Okla. tank cars, gal	.045	.045	.05	-10.0
Gasoline, 91 oct. reg., Chicago, tank car, gal.	.115	.115	.115	0
Gasoline, 84 oct. reg., Los Angeles, rack, gal	.117	.112	.113	+ 3.5
Kerosene, Gulf, Cargoes, gal	.086	.086	.089	- 3.4
Heating oil #2, Chicago, bulk, gal.	.091	.091	.091	0

CHEMICALS

Ammonia, anhydros, refrigeration, tanks, ton	88.50	88.50	86.50	+ 2.3
Benzene, petroleum, tanks, Houston, gal	.31	.31	.31	0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb	.20	.193	.158	+26.6
Glycerine, synthetic, tanks, lb	.293	.293	.278	+ 5.4
Linseed oil, raw, in drums, carlots, lb	.17	.17	.167	+ 1.8
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, fob N.Y. cwt	10.90	10.90	9.60	+13.5
Shellac, T.N., N.Y. lb	.31	.31	.31	0

Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.063	.063	.081	-22.2
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0

PAPER

Books, A grade, Eng finish, Untrimmed, carlots, CWT	17.20	17.20	17.00	+ 1.2
Bond, #1 sulfite, water marked 20 lb, carton lots, CWT	25.20	25.20	24.20	+ 4.1
Chipboard, del. N.Y., carlots, ton	95.00	95.00	100.00	- 5.0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.25	9.25	9.00	+ 2.8
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	6.30	6.30	6.40	- 1.6
Old corrugated boxes, dealers, Chicago, ton	21.00	21.00	23.00	- 8.7

BUILDING MATERIALS‡

Cement, Portland, bulk carlots, fob New Orleans, bbl	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl	4.18	4.18	4.14	+ 1.0
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm	125.00	125.00	129.00	- 3.1
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm	140.00	140.00	129.00	+ 8.5
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm	108.00	108.00	109.00	- .9

TEXTILES

Burlap 10 oz, 40", N.Y. yd	.102	.102	.106	- 3.8
Cotton, middling, 1", N.Y., lb	.328	.329	.363	- 9.7
Printcloth, 39", 80x80, N.Y., spot, yd	.198	.195	.176	+12.5
Rayon twill 40½", 92 x 62, N.Y., yd.	.25	.25	.22	+13.6
Wool tops, N.Y., lb.	1.610	1.600	1.46	+10.3

HIDES AND RUBBER

Hides, cow, light native, packers, Chicago, lb.	.245	.255	.17	+44.1
Rubber, #1 std ribbed smoked sheets, N.Y., lb.	.410	.390	.312	+31.4

† Source: Petroleum Week ‡ Source: Engineering News-Record

October 19-25

Price Perspective

Primer on Creeping Inflation

You don't have to be an expert to have a theory on how to fight "creeping inflation".

Ask any fellow purchasing agent, businessman, labor leader, economist, government official—all will be more than willing to give you the lowdown.

Trouble is, if you listen to everybody, you're probably more confused than you were when you started out. Sometimes it seems there are as many theories as there are experts.

But most of them tend to fall into one of four schools.

- Limit government spending and balance the budget.
- Hold labor rate increases to productivity gains.
- Correct the inequities of administered prices.
- Limit growth because growth and inflation move together.

Which of these schools has the "right" answer.

You can't answer that question because there is no "right" answer.

No simple choice of theories is possible. For there is a grain of truth in all of them. Other things being equal:

- Deficits do tend to increase overall demand and raise the money supply—hence bringing on higher prices via "demand-pull" inflation.
- Labor costs often make for a "cost-push" squeeze—again bringing on higher prices.
- Administered pricing often does lead to demand insensitivity. This sometimes results in steady tags—when the market might indicate a cut.
- Growth does put a strain on the supplies of an economy—again tending to boost the general price level.

You pays your money and takes your choice.

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Now another theory has come along to further complicate matters.

It's being expounded by Prof. Charles Schultze of Indiana University.

Briefly, he contends that excess demand in specific areas of the economy tend to set up a chain reaction of rising prices.

In 1955-57, for example, he notes that such excess demand typified the capital goods industries—pushing up costs and prices in that area.

But it also affected other industries who were not so lucky. These latter firms found themselves bidding against the capital goods industries—competing for the available labor and materials.

Results: higher costs and prices for these firms—even though they were operating well below capacity.

In essence, then, Schultze claims that price decisions for all industries are made by those sectors where demand pressures are strongest.

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If the theory is correct it has important money and credit implications.

Tighter over-all credit, for example, tends to inhibit general demand. This is fine for industries operating at excess demand levels; but not so fine for those operating well below capacity.

For the latter, lower demand raises unit output and overhead costs. This tends to boost prices—the exact opposite of any credit control goal.

It means that Uncle Sam's fiscal experts may not be able to solve the "creeping inflation" any more by tightening general credit.

If credit is to remain a weapon in the anti-inflationary arsenal, it may have to be applied more selectively. It could mean clamping credit restrictions only on industries currently most sensitive to inflationary pressures—and letting the other ones pretty much alone.

Oil, Oil Everywhere; The Glut Is Here to Stay

New York—Soft petroleum price tags and lower-than-usual fuel bills are the prospects for most of the nation's oil users. Where most sectors of the steel-short economy are worried about inventory shortages, the oil group is afflicted by surplus, especially in its refinery products.

For the rest of 1959, "adjustment" is the key word of the petroleum industry—adjustment of current production schedules to excessive stocks now on hand.

The steel strike—responsible for shortages in so many lines—is actually partially behind the oil glut.

Figures Tell the Story

Industrial activity slowed down. The figures below tell the story:

For the first six months of 1959, demand for petroleum was running 6½% ahead of last year's comparable period. Some of this was due to industry speed up in anticipation of the steel strike.

Since the steel strike, however, the gain has dwindled. In August, for example, demand ran only some 2½% above the same month in 1958, and the over-all year-to-year increase has been cut to about 5%.

Also the expected surge in demand for gasoline over the summer months did not materialize. This further aggravated the heavy supply situation.

No Seasonal Price Climb

Result: the absence this year of the usual seasonal (May through August) price climb (see chart above, right). Price tags continue soft and irregular. Some August increases, brought on by strike-curtailed production, have slipped back during September.

But disappointing demand is only partially to blame for easy petroleum prices. The other side of the story—oversupply—is an even greater factor.

But as one trade source puts it, "refiners . . . give the appearance of not having heard of the steel strike and the slowdown of petroleum demand."

Up through the end of August refinery runs for several months had been averaging about 400,000 barrels a day more than necessary to meet demand and inventory requirements. The resulting glut of inventories touched off an increasing chorus of alarm by experts in the field.

Warm Weather—More Gas

September saw a reaction in reduced refinery production. A record demand for gasoline during the month, due to "Indian Summer" weather and motorists filling up their gas tanks before the October 1 federal tax of 1¢/gal, eased the situation somewhat.

But stocks on hand are still much too high. It is estimated that refinery runs will have to be reduced by 500,000 barrels daily to bring inventories in line with demand by the end of the year.

Prospects are uncertain. The industry is on the verge of its seasonal lift for home heating and other distillate oils.

But inventories in this category are also high. Despite a recent decline stocks are still 11% above a year ago. Some areas are more burdened than others; on the East Coast the

inventory gain stands at 22%. Continued mild weather could, of course, dampen the seasonal demand for heating oils. The latest figures show but a 2½% increase in consumption over last year.

However, under the President's mandatory import law, distillate imports won't be a factor this year. This will allow some firming of heating oil tags. But the seasonal rise will be less than normal.

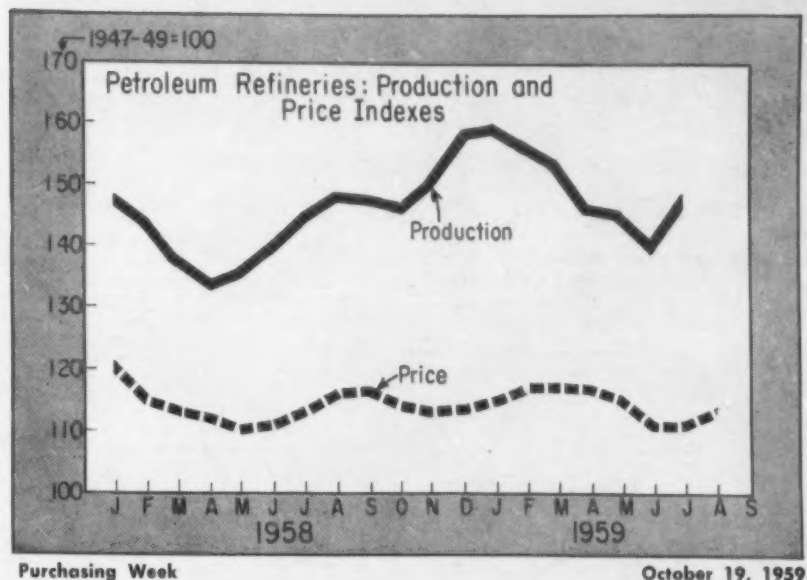
The only bright spot is the strong prices for residual fuel oil used by transportation and in-

dustry. September saw an 11% increase over 1958 demand.

The general petroleum industry hope is that lower refinery runs will continue so that inventories will be brought into balance with demand by the end of the year.

Widespread agreement points to maintaining lower crude oil production as the best way to achieve this. Lower crude runs would limit the refiner's source of supply.

But such a program is complicated by the political situation in the oil industry.



Big Hit for Decca -- DARINA

Decca Records, Pinckneyville, Illinois uses Shell Darina Grease 2 for the entire plant's grease lubrication.

When Decca Records opened its Pinckneyville plant late in 1957, it required a high-temperature grease for the hot plasticizing mills. After testing many greases under actual plant conditions, Shell Darina Grease 2 was selected. In fact, Darina® proved so successful in its original application that Decca now uses it throughout the plant.

Darina Grease 2 is a premium-quality, multi-purpose grease with exceptional stability in extended high-temperature applications. It offers

excellent resistance to corrosion and oxidation. It gives outstanding performance (compared with conventional soap-type greases) for long-time wet or dry applications at temperatures as high as 350° F.

For complete data on Darina Grease, write Shell Oil Company, 50 West 50th Street, New York 20, New York, or 100 Bush Street, San Francisco 6, California. In Canada: Shell Oil Company of Canada, Limited, 505 University Avenue, Toronto 2, Ontario.

SHELL DARINA GREASE

the multi-purpose, high-temperature grease



Washington Perspective

Things to Watch:
Courts and Unions

Purchasing agents will find it worth their time to keep an eye on court decisions that can vitally affect their costs.

Crucial cases involving pricing, transportation, and labor activities are now pending before the Supreme Court. The Court's decisions will, no doubt, have a direct effect on business costs.

Rights of unions to engage in political activities will be tested in a major case due up later in the session. The case concerns a ruling by the Supreme Court of Georgia on the union shop provisions of the Railway Labor Act.

The state court held the provision is unconstitutional because it allows unions to use compulsory dues collected from members for political education without their consent. The ruling, if upheld, could seriously limit political power of labor unions.

In another case, the court will rule on a union's right to strike to enforce its demands, that it be consulted first before any jobs are abolished. The union was hit by an injunction when it went on strike to get a contract provision requiring company-union agreement before any existing job could be abolished.

The Court already has acted by refusing to review a number of cases, thus allowing the lower court's decision to stand.

In one, the Federal Trade Commission won its point that volume rebates to large shippers was illegal. Standard Motors Products, Inc.—a manufacturer of motor parts—must stop using a volume rebate system that favors large buyers and group buying organizations—despite the fact that small dealers say they are not hurt by the pricing system.

The court also refused to review lower court rulings that the N.L.R.B. is entitled to wield broad injunctions against any secondary boycott activities by the Teamsters in organizing non-union truckers in Nebraska.

Two other important issues affecting transportation also were accepted for decision later on.

The American Trucking Association is fighting to upset Interstate Commerce Commission approval of unrestricted motor contract carrier services by a railroad subsidiary. The trucking associations say I.C.C.'s ruling, upheld by lower courts, opens the door to much wider rail participation in motor contract service.

Whether railroads must first get I.C.C. approval to slow down service to accommodate certain shippers. The government won lower court rulings requiring the Union Pacific to get I.C.C. permission before it could offer some of its Northwest lumber mill shippers the delayed service. The delay—achieved by shipping over less direct routes—is valuable to the mills, since it allows them more time to find buyers for lumber while it is en route.

Labor leaders are sounding a new call to "organize the unorganized." This is a familiar theme and it has hit many sour notes in the past.

But this time they mean business. You can tell—they're putting big money behind the drives to reach into such industries as oil, automobiles, steel, trucking.

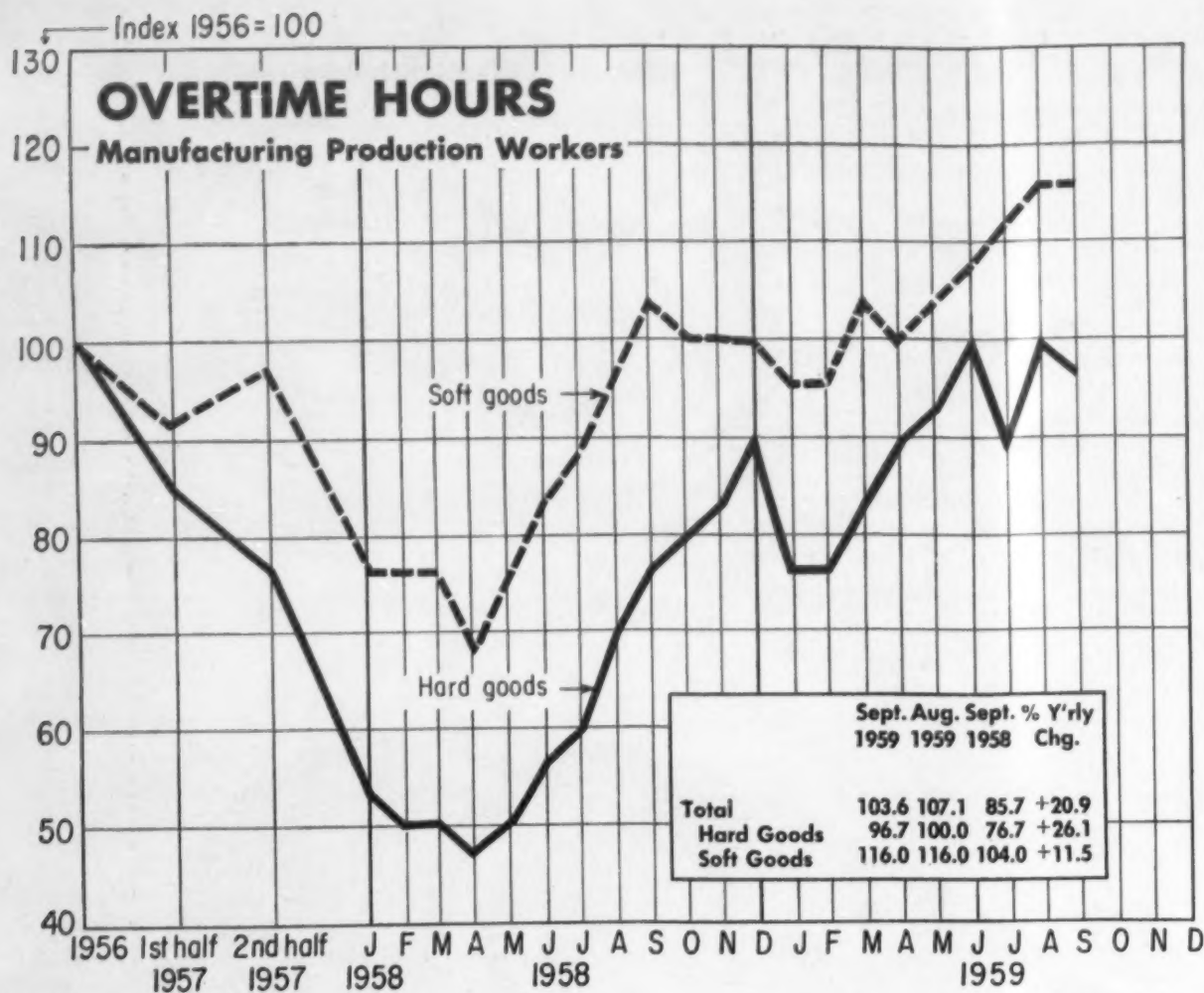
The particular goals: white collar workers and Southern industry.

Here's just part of the picture: target of Walter Reuther's United Auto Workers—250 thousand white collar workers. A \$2 per member dues raise will bring in \$2 million a year to help the drive.

Jack Knight's Oil, Chemical and Atomic Workers is plotting a new campaign in the oil industry—putting in more money and manpower than ever before.

In the South, which is mostly unorganized, the textile and garment workers have arranged a joint membership drive, starting in those cities where they already have a foothold.

The Teamsters' Jimmy Hoffa has pinpointed retail territory to add to the union's record 1.6 million members.



Purchasing Week

October 19, 1959

Overtime Hours Slacken As Steel Strike Goes Into Fourteenth Week

New York—The employment picture is beginning to show the effects of the nation-wide steel stoppage. A spate of new statistics covering September labor operations show:

• PURCHASING WEEK'S overtime hours index slipping from peak August levels.

• The unemployment rate (seasonally adjusted) rising to 5.6% in mid September—compared to pre-strike 5% rate.

• Employment dropping 894,000 during September—reducing the over-all labor force to 66.3 million.

While this drop in employment is termed "normal" for September, government experts see a sharper than normal drop for October as shortages bring on new shutdowns.

The drop in PURCHASING WEEK'S overtime hours index is particularly significant. For this is a barometer of future business activity. And when it begins to fall, it's a pretty good sign that American industry is beginning to slow down.

Actually, the drop for September was relatively small. The overtime index slipped from 107.1 (1956-100) to 103.6—a drop of only a little over 3%. But again preliminary indications point to future weaknesses in October.

As might be expected the entire drop is centered in the hard goods area. Soft goods, at 116.0, remains at peak levels.

Meanwhile, another side of the labor force coin, unemployment, is becoming a growing problem. Based on new Labor Department data, the volume of lay-offs due to the strike soared from 10,000 a week in mid-September to 25,000 a week in early October. By now it's probably running over 50,000 a week.

It means the adjusted figure for unemployment is headed for another jump in October.

Overtime Hours of Manufacturing Production Workers Index

Hard Goods

	Aug. '59	July '59	Aug. '58	% Yrly Change
Ordnance & Accessories.....	72.4	72.4	72.4	0
Lumber & Wood.....	127.3	106.1	106.1	+ 20.0
Furniture & Fixtures.....	121.4	100.0	92.9	+ 30.8
Stone, Clay & Glass.....	108.3	100.0	88.9	+ 21.8
Primary Metals.....	103.6	85.7	50.0	+107.2
Fabricated Metal Products..	110.0	100.0	83.3	+ 32.1
Non Electrical Machinery ..	78.4	78.4	40.5	+ 93.6
Electrical Machinery	92.3	80.8	61.5	+ 50.1
Transportation Equipment ..	93.1	89.7	72.4	+ 28.6
Instruments	95.7	104.3	65.2	+ 46.8

Soft Goods

	Aug. '59	July '59	Aug. '58	% Yrly Change
Food	106.1	103.0	97.0	+ 9.4
Tobacco	145.5	163.6	145.5	0
Textile Mill Products.....	126.9	119.2	88.5	+ 43.4
Apparel	141.7	116.7	108.3	+ 30.8
Paper	106.5	102.2	95.7	+ 11.3
Printing & Publishing.....	96.9	90.6	81.3	+ 19.2
Chemicals	113.0	104.3	91.3	+ 23.8
Petroleum & Coal Products..	105.0	115.0	85.0	+ 23.5
Rubber Products	171.4	171.4	107.1	+ 60.0
Leather & Products.....	85.7	92.9	85.7	0

Industry breakdown is available through August only.

Man at the Throttle—Fading Fast; Automated Trains Are on the Way

Washington—The railroad industry is envisioning a net of "decision-making devices" strung alongside tracks—fully automatic trains with electronic controls replacing all human functions.

Discussing this future possibility at a railroad meeting here last week, W. A. Robison, design engineer of Union Switch & Signal Division of Westinghouse Air Brake, made it clear that it is still likely to be many years before such automated train operations are commonplace.

He said that tests toward complete automation are now being conducted in New York subways, and noted that it is in a subway or some similar system that complete automation in transportation may prove practical.

Robison added that railroads already have taken strongly to

electronics to run the railroads. They have, for example, automatic switching yards with closed TV circuits, electronic switching on line tracks, and similar devices.

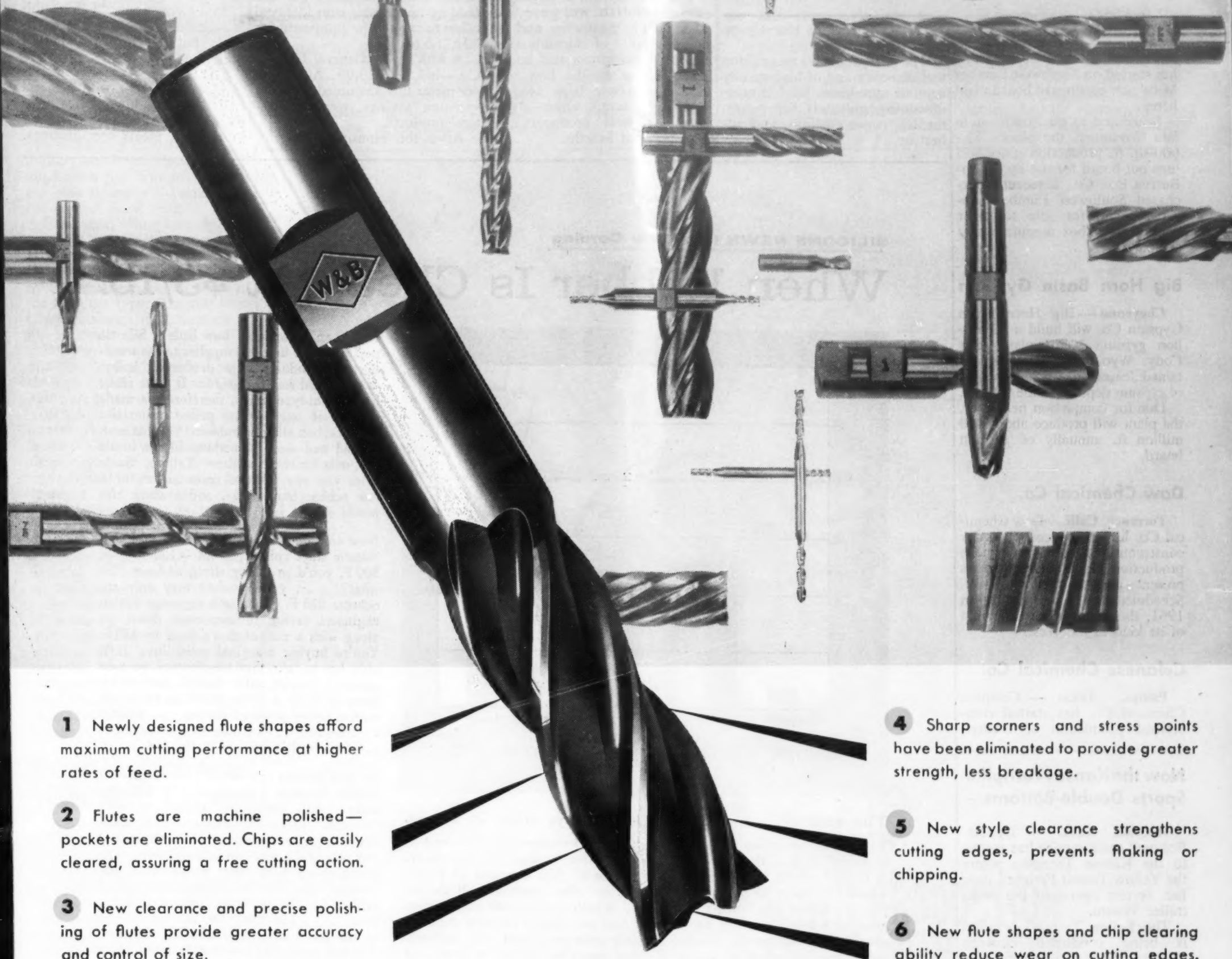
U. S. Says Pill Makers Rig Price on Salk Polio Juice

Trenton, N. J.—Five major drug concerns were charged with eliminating competition through price collusion on Salk polio vaccine last week at the opening of a Federal antitrust suit against them.

The companies are accused of price fixing and conspiring to eliminate competition in the sale of \$53,600,000 worth of vaccine to federal, state, and local governments.

W & B END MILLS

Designed Better To Mill Better



1 Newly designed flute shapes afford maximum cutting performance at higher rates of feed.

2 Flutes are machine polished—pockets are eliminated. Chips are easily cleared, assuring a free cutting action.

3 New clearance and precise polishing of flutes provide greater accuracy and control of size.

4 Sharp corners and stress points have been eliminated to provide greater strength, less breakage.

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Capital-Equipment Boom Maintains Its Healthy Pace; Here Are Four New Signs

The best symptom of the capital goods boom is in the heavy construction activity American industry is undertaking. Typical of the vigor of industrial expansion are these four announcements of expanding capacity in established plants or construction of new plants. Significantly, all four announcements come from the West.

Southwest Lumber Mills

Phoenix, Ariz.—Construction has started on Southwest Lumber Mills' new corrugated board plant here.

Scheduled to go in stream in late November, the plant's 75,000-sq. ft. production space will turn out board for use by Dolan-Burrus Box Co., a recently-purchased Southwest Lumber subsidiary, and for sale to other Southwestern box manufacturing companies.

Big Horn Basin Gypsum

Cheyenne—Big Horn Basin Gypsum Co. will build a \$3 million gypsum board plant near Cody, Wyo. The firm has obtained leases on 40 million tons of gypsum deposits in the vicinity.

Due for completion next year, the plant will produce about 100 million ft. annually of gypsum board.

Dow Chemical Co.

Torrence, Calif.—Dow Chemical Co. has announced plans for construction of a polypropylene production plant adjacent to its present plastics facilities here. Scheduled to go on stream in 1961, the plant will be the first of its kind in the West.

Celanese Chemical Co.

Pampa, Texas—Celanese Chemical Co. has started commercial production of 2-ethyl-

Now the Kansas Turnpike Sports Double-Bottoms

Wichita, Kans.—"Double-Bottom" truck service has spread to the Kansas Turnpike where the Yellow Transit Freight Lines, Inc. is test operating the twin-trailer system.

The Yellow Transit operation is being conducted between Wichita and Kansas City under a special three-month experimental procedure authorized by the Kansas Turnpike Authority. Similar tests preceded final approval of tandem trucking on the New York Thruway and Massachusetts Turnpike.

The Turnpike Authority is providing the trucking firm with interchange areas where the double-bottoms can be assembled for pike transportation or broken up for direct delivery to destinations off the super highway.

Just \$400,000 Down

San Marino, Calif.—Marshall Industries, with \$400,000 cash, has purchased Electron Products Co., of Pasadena, manufacturer of precision capacitors and radio interference and noise filters.

The new acquisition, which does over \$1 million a year sales, will be known as Electron Products Division, Marshall Industries, and will retain its present management.

Metal & Thermit Corp Turns to New Logotype To Identify Its Bundles

Rahway, N. J.—Metal & Thermit Corp., largest U. S. detinner, is embossing all #1 black-scrap bundles with a "M & T" logotype.

The new imprint, according to company officials, will serve both as a quality guarantee and an easier means of identification. An M&T spokesman said he believes this to be the first time such means have been used to identify this scrap, which is sold to major steel producers for charging open hearths.

'I'm for Free Enterprise—But...

San Francisco—San Francisco Housing Commissioner Charles R. Greenstone just won't put up with renegeing on bids.

With 1,258 gas and electric meters for housing projects at stake, four companies got the bidding under way with identical offers to supply the equipment for \$22,266.68.

A fifth firm—General Electric Co.—bid \$21,233.99. At \$16.80 per meter this amounted to a 90¢-per-unit savings over competitors' products.

After the Housing Authority

accepted G.E.'s bid, the electric company asked to resubmit its estimate, saying it had erred in its calculations and should have bid \$22,266.68.

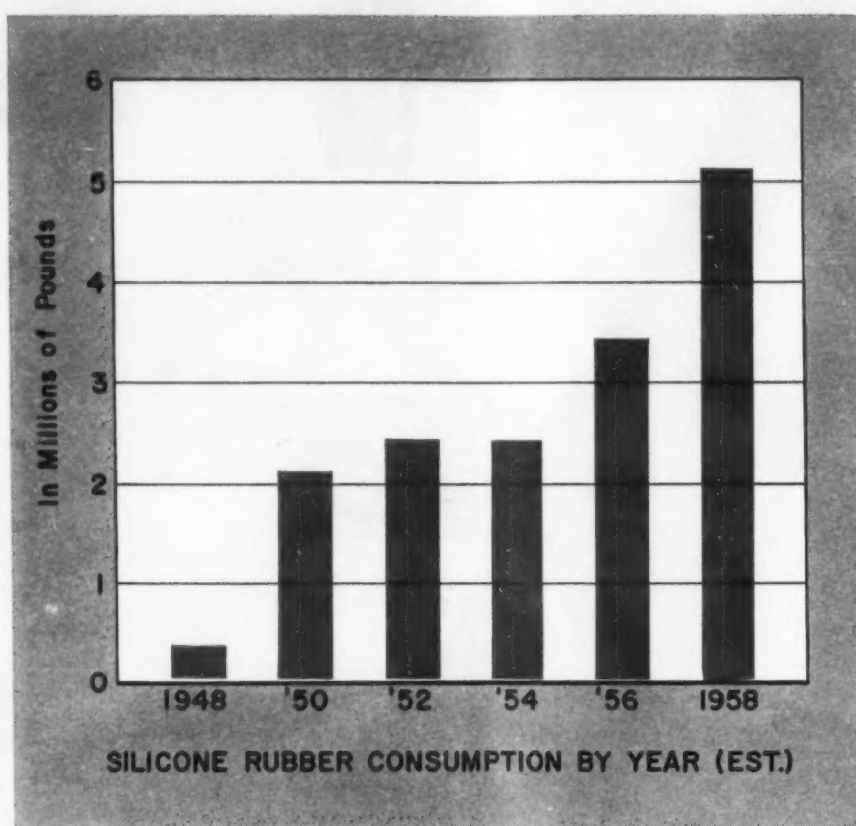
Ridiculous but Not Funny

Said Greenstone: "I think this is ridiculous. I'm for free enterprise, but not for this kind of thing."

The Housing Authority intends to place the order with General Electric at the lower price after inspecting a sample G.E. meter to see if it meets specifications.

SILICONE NEWS from Dow Corning

When Rubber Is Cheap At \$3/lb.



Here's an example of how little a Silastic part costs per unit. A supplier to the transportation industries is producing a hydraulic fluid seal of Silastic. It must resist hot solvent-type fluids, therefore it's made of one of our highest priced materials: fluorocarbon silicone rubber. Yet this seal, shaped and sized something like a bottle top, sells for about a dime. A dime! Same price you pay for two razor blades, or a few rubber bands . . . and *nothing else would do the job.*

Now consider this. If you were told that Silastic stays rubbery from -130 to over 500 F, you'd probably shrug and say "So what?" . . . your product may only encounter 225 F. Now, let's say your design engineers, trying to keep costs down, go along with a rubber that's good to 230 F. You're buying marginal reliability. If it only has to take that temperature on rare occasion, you're safe. But if those occasions multiply a little, you'd be better off with a better piece of rubber . . . Silastic . . . because it can take this temperature indefinitely. It's cheaper in the end.

So you're way ahead if your engineers design *through* a problem with Silastic, rather than designing *around* it with "cheaper" materials. There are countless areas in present products where the use of any other rubber would be unrealistic. The graph shows how many people have discovered this. Who would use conventional rubber for the moisture seal in a steam iron? . . . Too hot! Or for the oil-seal in the latest automatic transmission . . . Too hot and oily! Or for ducts carrying liquefied gas vapors . . . Too cold! Or for seals between missile sections . . . Too everything! And these are only severe illustrations. It's that borderline application that you must watch, because it's so easy to look the other way and hope, when certainty is really much less costly.

One more reminder: though all Silastic is silicone rubber, not all silicone rubber is Silastic. Dow Corning . . . and Dow Corning customers, we assume . . . fully believe that Silastic is the finest material of its kind to be found anywhere.

We welcome you to contact us direct about Silastic, or inquire of your parts supplier.

The cost of a material is not always what it seems.

To find the *real* price of an item, you have to somehow relate its cost to how well it does the job. For example: razor blades. They're cheap. A dollar's worth will shave you for a month. Yet a *pound* of blades would cost over 30 dollars. But again, no other material will do the job . . . unless you "design around it". Which in this case might mean growing a beard or using an electric. And the electric requires a power source. In other words, you can't equate price-per-pound with performance. You can think of dozens of other examples of this in your own plant: how much do you pay per pound for pencils, typewriter ribbon, cellophane tape, rubber bands?

The mention of rubber brings us to the point. Dow Corning produces a premium synthetic rubber that appears, on a dollars-per-pound basis, expensive. It's Silastic®, the Dow Corning silicone rubber, and it sells for \$3.00 a pound and up. *Yet*—and this is a big *yet*—this is really cheap when you consider that Silastic is so often the only material that will do the job right.

Parts made from Silastic, because they possess superior properties, have a superior life expectancy in operation. What are these properties? Resistance to virtually all the factors that normally cause rubber parts to fail: heat, cold, ozone, weathering, corona, oxidation, many chemicals, aging and other rough conditions. But in spite of all these virtues, which result in more reliable performance, parts of Silastic, on a *piece* price basis, are really surprisingly inexpensive.

Your nearest Dow Corning office is the number one source for information and technical service on silicones.



Dow Corning CORPORATION
MIDLAND, MICHIGAN

ATLANTA BOSTON CHICAGO CLEVELAND DALLAS LOS ANGELES NEW YORK WASHINGTON, D. C.

U.S. Buyers Grow Keener For Compacts

(Continued from page 1)

yet by federal purchasing agents for any 1960 models, compact or standard size. G.S.A. plans to issue bid invitations early next month on its big annual purchase of autos. Bids will be awarded probably in December for delivery around February, March, and April, months ordinarily in which the Government can secure the best prices.

The Pentagon has not yet begun processing requests from the military services. Thus, it's still not known just how many autos the government will purchase in the current fiscal year.

Last year, American Motors captured almost the entire government market for small cars. Of 1,961 passenger autos bought by the Pentagon, 1,767 were of the Rambler type. The rest were Chevrolets with the exception of five Buicks.

Of the 4,656 passenger cars and 731 station wagons bought through G.S.A. last year, about 350 were Ramblers.

G.S.A. like the Pentagon awards contracts to the lowest bidder. Both try to concentrate their buying at one time. But aside from G.S.A.'s annual purchase, it also issues bids every month for current needs.

The new economy cars of the big three may give them a better competitive advantage this year to break American Motor's grip on the government market.

But how the compact models of the big three will compete with their bigger cousins in the standard line still is a question. As is apparent from G.S.A. statistics, the standard size lines of the big three were still able to underbid American Motors in most cases last year.

Kaiser Aluminum Enters Bright Sheet Coil Mart

Ravenswood, W. Va.—Kaiser Aluminum & Chemical Corp. has entered the standard bright sheet coil market. Production began at its new bright strip mill here last week. The new mill, an addition to Kaiser's extensive Ravenswood rolling mill facilities, will produce aluminum coil in widths up to 36-inches and in gauges of one-sixteenth of an inch or less.

H. K. Porter Co. Grows—Starts Its 14th Division

Pittsburgh—H. K. Porter Co., Inc., has announced establishment of its 14th industrial division—the Peerless Electric Division.

Porter recently acquired Peerless Electric Co., Warren, Pa., manufacturer of electric lamps, electronic devices and controls, fans, blowers and motors.

New Phone Plant

Meriden, Conn.—Connecticut Telephone & Electric Corp., telephone equipment manufacturer, has moved to a new plant here.

The new facilities, according to company spokesmen, will permit a more competitive cost structure, expansion of product development, and greater assembly line capacity.

Oil Says It's Still No. 1 Steel Co. Announces a New Method For Mass-Producing Truck Wheels

Baltimore—Oil will continue as "America's major source of energy for many years to come," an Esso Standard Oil Co. vice-president assured Baltimore Rotary Club members last week.

"American oil wells account for approximately 40% of the world's oil production," O. V. Tracy said. In addition, he continued, there is an estimated potential "on the order of 500 billion barrels" of untapped crude oil now available in the U.S.

But "America's appetite for oil is insatiable," he said.

Oil and gas, he pointed out,

have reached the point where they now account for 72% of American power.

"In addition to energy, petroleum, in the form of petrochemicals, provides Americans with new clothing from synthetic fibers, new utensils from plastics, and better crops from chemical fertilizers."

Tracy discounted atomic energy and "exotic" fuels as possible threats to the petroleum industry. He said nuclear energy's contribution to the power picture will still be marginal 25 years from now.

Savannah, Ga.—Firestone Steel Products Co. has announced development of a system of mass producing heavy-duty precision truck wheels.

The new system involves spin-forming the wheel discs, which are then thru-welded to their rims.

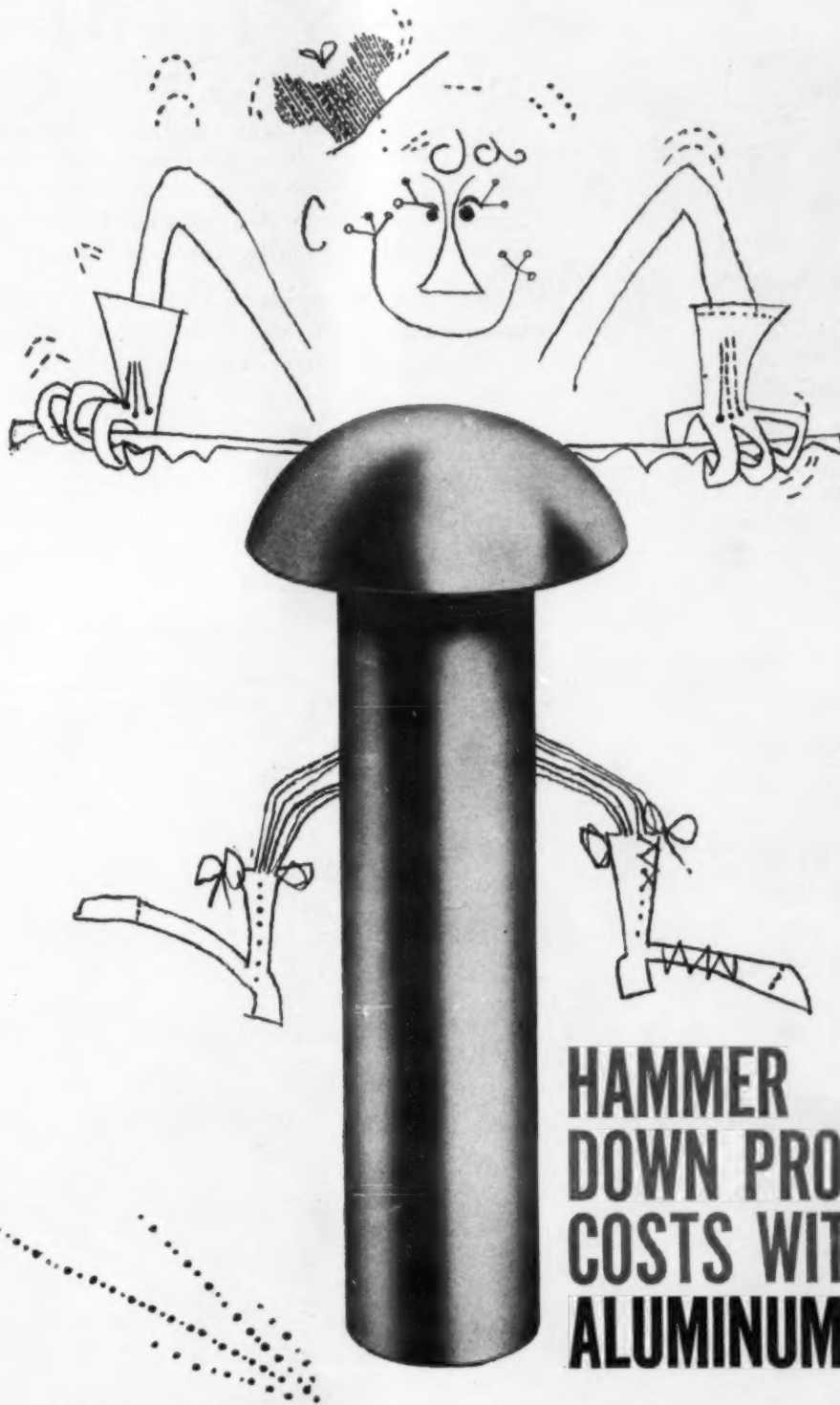
Spin-forming, according to company president M. A. Di Federico, is the most accurate method now available to form wheel discs because the discs are uniformly tapered as they are

being formed over a mandrel.

"Thru-welding," continued Di Federico, is also new to the production of large wheels.

New Company for Steel

Youngstown, Ohio—The newly formed Youngstown Steel Warehouse Co., a subsidiary of the Youngstown Steel Tank Co., will stock and distribute steel plate, structural, sheet, and specialties for the eastern Ohio-western Pennsylvania market.



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Purchasing Men Ask U.S. for Foreign Trade

State, Local P.A.'s Seek Proper Trade Equilibrium

Cleveland—State and local purchasing officials are looking to Uncle Sam for direction on what to do about foreign-made products.

Foreign imports and their impact on governmental purchasing fired a hot and heavy discussion at the Annual Conference of the National Institute of Governmental Purchasing here last week.

Governmental P.A.'s made clear they are not fully satisfied with some of the general policies already in effect, such as state regulation and laws restricting foreign buying and the federal government's "Buy American Act".

Cincinnati's John G. Krieg, who led the convention debate on the foreign question, declared that "buying foreign-made goods has become increasingly important to almost every type of local government." He said this applied particularly to larger cities and especially to seaports and other cities near ports of entry.

The issue will "assume added

importance in Midwest and Central states areas" as a result of St. Lawrence Seaway traffic, Krieg declared. He pointed out that the Seaway has made inland cities such as Buffalo, Cleveland, Chicago, and Milwaukee important "seaport" areas.

Public buyers appeared fairly well divided on how to handle the purchase of imports. Some urged rigid requirements in their contracts against foreign-made goods; others stressed that the problem should be handled simi-

larly to the purchase of domestic items. All pointed to the many factors that must be carefully weighed before purchasing foreign goods. These considerations include:

The actual dollar savings involved, problems of follow-up on delivery, service costs and availability, parts costs and availability, and the question of "operability" during an interruption of international trade.

Many governmental purchasing agents argued that the only

way to handle the growing problem was to follow the laws governing each local buying operation. These, in most cases, require goods be bought from the "lowest responsible bidder."

But for others, this was not a satisfactory escape from the many "pressures emanating from both industry and American labor."

The majority agreed that the federal government should decide whether this is a problem for state and local governments

to handle individually or whether it rates policy consideration on a national level.

Many felt that the problem is rapidly reaching the point where a policy must be established on a national level because the problem involves the nation's "entire economic health and future."

Public P.A.'s at the crowded session were aware of the state and local policies and regulations against foreign purchases rapidly spreading throughout the country (P.W., Sept. 14, '59, p. 1).

Alabama Purchasing Men Join Up with Salesmen For Special Meeting

Birmingham, Ala.—Alabama purchasing agents and salesmen got together last month. The Purchasing Agents' Association of Alabama held a joint meeting with the Birmingham Sales Executive's Club.

In a frank "Purchaser's Appraisal of Salesmen," David S. Gibson, vice president-purchasing, Worthington Corp., Harrison, N. J., warned that price alone is no longer a desirable factor in buying.

He said his company now judges suppliers on a basis of financial reputation and soundness, ability to meet specifications, and dependability as to price quotation, quality and delivery.

Fawick Corp. Takes Over The New Products Corp.

Cleveland—Fawick Corp., manufacturer of industrial and automotive clutches and brakes, has taken over New Products Corp. of Skokie, Ill. The new acquisition will be known as the Hydraulic-Electronic Division.

The Illinois firm designs, manufactures, and distributes a line of hydraulic power steering valves, flow divider and relief valves, hydraulic pumps, fuel pumps, and fuel selector valves.

Fiber R & D at Taylor

Philadelphia—Taylor Fibre Co. has announced establishment of an Advanced Material Division for research and development of laminated plastics and vulcanized fiber for rockets, missiles, jet planes and nuclear reactors.

The new division will be geared to handle government contracts calling for development of new light-weight, high-strength materials.

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Guidance

Purchasing Without Public Relations: Just Half a Job

Cleveland—A state or local governmental purchasing operation without a firmly established public relations program is doing only 50% of its job.

This is the firm belief of Ernest J. Brewer, newly elected president of the National Institute of Governmental Purchasing (N.I.G.P.). Brewer supports his point in his activities as director of purchasing for Atlanta, Ga.

"Public relations is one of the most important responsibilities of a governmental purchasing agent," Brewer told PURCHASING WEEK at the N.I.G.P. convention here last week.

"An informed public is a cooperative public," declared Brewer whose clear, concise, and informative annual reports have received much praise throughout the country in governmental purchasing circles.

"A public buyer can be doing a fine job, but if he hides his light under a basket, he is doing wrong by the people who pay his salary and contribute tax dollars for everything he buys."

"One of my major aims as president of N.I.G.P.," he declared, "will be to continually emphasize and promote the importance of a solid, well thought out public relations program. We're spending public money and the public has a right to know where it's going."

He also pointed out that a public buyer usually makes headlines only "when he is off base."

"I don't see why the fine job most governmental purchasing people are doing shouldn't be given just as much space," he added. "A good public relations policy is also a fine way of raising the



FOUR MEN, one subject: City purchasing agents Wayne Harvey of Lincoln, Nebraska, G. C. Robinett, Jr., of Columbia, S. C., A. C. Shephard, of Winston-Salem, N. C., and Frederick Bunker, of Rutherford, N. J. (left to right) discuss convention on opening day.

stature of individual purchasing operations, as well as the profession as a whole."

Brewer also plans to step up N.I.G.P.'s campaign to entice more qualified and interested people to the public buying profession.

"One of the major problems in the field of governmental purchasing," the new president pointed out, "is the problem of attracting and keeping dedicated and experienced personnel on the job. We must overcome this if the profession is to continue on its present high level."

Brewer, purchasing director of Atlanta since 1950, is a strong proponent of "keeping public buying out of politics."

"It is a terrific handicap to work under the influence of politics," he said. "In fact, it becomes almost impossible to do a good buying job when you have to cower to favoritism."

He pointed to the example in his own state of Georgia when the state purchasing operation was dominated almost en-

tirely by state politicians. The situation was cleaned up only last year (P.W., Dec. 29, '58, p. 1).

"The efficiency of public purchasing has been progressing rapidly in the last decade," the Atlanta P.A. concluded.



EAGER EYES of convening purchasing agents roamed over most of the exhibits set up to illustrate possible cost-savings through new or improved products or materials at the Product Show. This group gives Bevco-Precision Manufacturing Co. the once-over.

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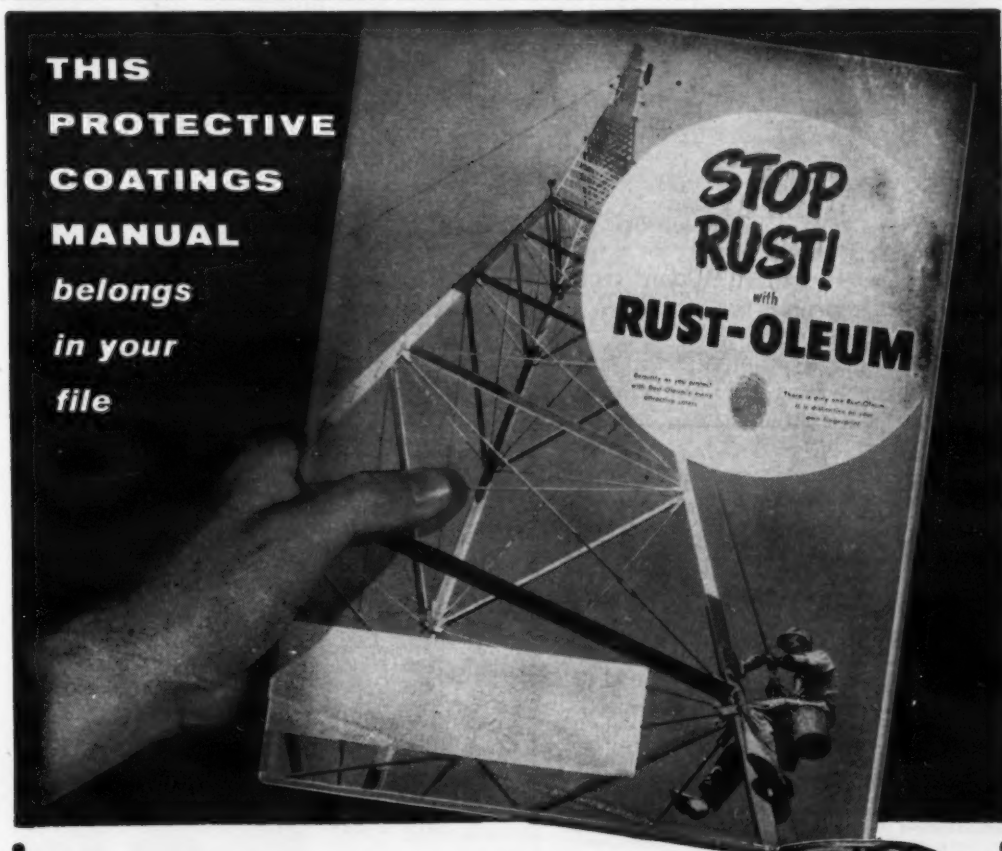
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Who Needs a Kick in the Pants?

THE moving finger of the news keeps writing clear and fast. And there's a striking pattern for purchasing executives in what it inscribes:

• Last week, the headlines unmistakably signaled that it was your responsibility to create some semblance of sanity out of the supply-price-labor bedlam.

• This week, a new set of headlines amplifies on that theme: It says that your business colleagues not only want you to take full responsibility—they expect you to build a still wider area of authority for yourself. In short, you're being pushed up the ladder by a friendly force.

Look at this assortment of clues:

Clue No. 1: In a statement by Bruce Payne, a ranking management consultant, (P. W. Oct. 12 '59 p. 16) the following sweeping judgment appears:

"Management today realizes purchasing departments can have a tremendous influence on the net profit of a company . . . [Often] a small percentage saving on over-all cost of materials purchased exerts more leverage on the net profit than does the cost of labor, or the cost of administrative or selling expenses."

Payne then goes on to cite the example of an electronics firm whose 10% wastage in purchasing wound up as a 5.2% profit loss on sales. So, he says, the purchasing man should free some time for "creative planning" and develop an "analytical understanding of the relationship between his function and profits." To put it another way: The fellow who thinks like an oldtime clerk or bookkeeper just isn't the sort of man the times call for anymore.

Clue No. 2: Out in Canton, Ohio, N. A. P. A. 6th district Vice-president C. Warner McVicar told his purchasing colleagues to "listen attentively" at association meetings and read constantly on new methods if they would keep up with the times. Self-education—via the ever-growing body of academic and journalistic tools—is one straight road to greater professionalism and craftsmanship. You've got to know your business today—and Vice-president McVicar's remarks are one more pointed reminder in a long list of such.

Clue No. 3: At Louisiana State University, the Royal McBee Co. presented a fascinating paper to the High Speed Computer Conference on "small" (under \$50,000) computers. The text of it appears on page 18 of this issue.

Now note this: The kind of computers Royal McBee was talking about was not avant-garde equipment for the front office—**It was equipment designed for you, the purchasing executive.** Royal McBee was saying, in effect, that the purchasing function today is so important—especially from the viewpoint of speed—that it can benefit by using these new electronic aids.

How does this prospect strike you? Suddenly your vocabulary may have to embrace such tantalizing phrases as "input-output," "random access memory," and a smattering of binary numbers.

As they say in the show business: This is a real switch.

You've fought for your status for so long; and now (here comes the switch) they're forcing you into it. You're going to be an indispensable wheel, a real influence, whether you want to be or not.

Of course, you'll want it—clearly bearing in mind that all leadership has its penalties (jealousy and more hard work are just two facets that come to mind immediately). But who will deny that they're worth it?

Your Follow-Up File

• In our Sept. 28 column, C. W. MacRae, purchasing agent, Boston Gear Works, Quincy, Mass., asked: "How can you be sure that you are getting the maximum value when placing your order if several requests are still open on the closing date?"—Ed.

price increase of \$.10 a barrel around Aug. 12. However, you never brought up to date your weekly quotation from \$2.37 to \$2.47.

Kenneth L. Rosenthal
Purchasing Agent
S. Goldberg & Co., Inc.

• While we reported a price increase of \$.10 on Aug. 17, we never changed this in our regular weekly quotation on page 2 because this was for a contract price.

Our sources indicate that the oil is still available at \$2.37 on a spot basis. As is customary in the trade, prices will be quoted at the \$2.37 figure as long as spot supplies are available at that price. Spot supplies are expected to eventually dry up at the \$2.37 price and, at that time, an official \$2.47 price will be posted in our weekly listing.

Hackensack, N. J.

Upon checking, I found that you were correct and I was able to get a reduction in price from our supplier.

Again, I want to express my appreciation for your service rendered, and assure you that PURCHASING WEEK has been found a worthwhile publication by our organization.

Kenneth L. Rosenthal
Purchasing Agent
S. Goldberg & Co., Inc.

Who's The Firm?

Duluth, Minn.

We will appreciate your advising which manufacturer offers the universal aerosol unit shown on page 15 of the Oct. 5 issue ("What You Should Know About Industrial Aerosols").

A. L. Fahland
General Manager
Modern Distributors, Inc.

Parkersburg, W. Va.

We are interested in finding out where the universal aerosol spray with glass bottle and replaceable can may be procured.

J. J. Hines
Purchasing Agent
A. B. Chance Co.

• This Jet-Pak unit is a product of Industrial Supply Division, Sprayon Products, Inc., 2075 East 65th St., Cleveland 3, Ohio.

Wants 'Better Reports'

Columbus, Ohio

The Sept. 14 issue of PURCHASING WEEK contained an article by Tom Johnson entitled, "To Write Better Purchasing Reports, Act on These Ten Hints" (p. 26).

May I have 24 reprints?

G. W. Sandell
Assistant Sales Manager
Northern Division
Pollock Paper Co.

• Sorry, this article was not reprinted. However, we do have a limited supply of tear sheet copies available.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

A Flexible Policy

New Orleans, La.

In reference to Mr. MacRae's question concerning time limits for submission of bids or quotations, we follow a flexible policy.

When a request has not been returned in the time allotted, we analyze the situation to ascertain if there may be a reason why the vendor did not return the quotation on time, or if there is a possibility of the company saving money or obtaining a better quality product from the vendor whose quotation has not been submitted.

Also, we consider the status of the vendor—i.e., if the missing bid is from a vendor with whom the firm has had a very good past relationship, then we will certainly be more inclined to contact the vendor and ask if they have not over-looked this request.

If the lowest bid is received after the closing date, it again must be an individual analysis. In the case of standard items, we may go ahead and honor the bid. However, if the additional time could have given the vendor an opportunity to obtain a lower bid then the bid may be defaulted.

Lee Vorisek
Purchasing Agent
Wembley, Inc.

Three Steps to Savings

Hackensack, N. J.

In PURCHASING WEEK, of which I am a charter subscriber, you seem to have repeated an error in This Week's Commodity Prices.

This concerns fuel oil No. 6, New York barge, barrel. You reported a

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Should the purchasing agent try to visit all suppliers personally? If so, how often?

Question asked by: H. W. Thetford, Purchasing Agent
Educators Mfg. Co., Tacoma, Wash.



A. D. Foote, assistant director of purchases, Allis-Chalmers Mfg. Co., Milwaukee:

"In the interest of efficient procurement, the purchasing agent should visit sources of supply—current or potential. These visits become obligatory when determining 'plus values' and because of need. Plus values can be identified as capable management and engineering staffs, efficient machines and adequate plant capacity, etc. Plus values manifest themselves only through plant visits which will permit surveillance and evaluation.

Frequency of visits will be governed by need: 1. For developing a new source of supply; 2. For integration of quality control systems and techniques; 3. For resolving of delivery problems; 4. To determine whether an existing source is progressive; 5. To develop friendships among management people which will permit a more personal approach when resolving problems via the telephone or written communication."



H. H. Hise, purchasing agent, A. E. Staley Mfg. Co., Decatur, Ill.:

"I think it has to be rather sharply limited to major suppliers, although unusual circumstances might make a call on a smaller supplier or a would-be supplier advantageous. One thing I would rule out would be surprise or 'snooper' calls. I think the call should be motivated by a friendly interest on the purchasing agent's part and generally arranged in advance through the supplier's representative or at his suggestion."



H. W. Duxbury, purchasing, Marriner Combing Co., Lawrence, Mass.:

"The better acquainted the purchasing agent can get with his suppliers and their problems, the better the suppliers can meet the necessary problems of the purchasing agent. The best way is to visit the supplier personally. Many times you may find his inventory is large enough to warrant your keeping a smaller inventory. These visits could be made at the purchasing agent's discretion and often an assistant could be used for these visits."



B. E. Marquis, director of purchasing, Mallory Sharon Metals Corp., Niles, Ohio:

"We should visit suppliers for the education values we gain. Since there is little advantage for this purpose in seeing the same thing at different places, the purchasing agent should not try to visit all suppliers. Also, there are usually too many for a man to visit even over a period of years, especially since the list always changes. A limited group, selected as representing a wide variety of industries and services, should be visited and studied at intervals of a couple of years."



Davis Philipson, director of purchasing, Aerosol Techniques, Inc., Bridgeport, Conn.:

"There just isn't enough time for visits to all suppliers. It is a very rare occasion when I am able to get out. However, I certainly feel that inspection of a major supplier's plant is a good idea and such visits should be made whenever possible. They establish a closer tie with the supplier and give one the opportunity to learn about a firm's capabilities at first hand."

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How to Build a Low-Cost Warehouse: Pay Attention to Maintenance Costs

Minneapolis—City purchasing agent George Arnesson has solved a problem of building low-cost warehousing by purchasing a high-priced material.

Arnesson explains the paradox this way:

Several months ago, the Minneapolis school board found itself almost completely out of warehouse space. It had no room to store school equipment such as desks, chairs, and tables.

The problem was tossed in the lap of the city purchasing department with the stipulation: "We need a lot of space at the lowest possible cost."

Arnesson investigated the possibility of building an inflated plastic warehouse supported by inside air pressure. He had heard of several buildings in other parts of the country which had used this method successfully.

The immediate cost was low, but after further investigation, he learned that the plastic skin of the structure had to be replaced every six years—or more often, in some instances.

"Several other problems also entered into the picture," the city purchasing agent said, "and I decided that the long run cost would not be as low as I anticipated."

Bigger Outlay—Lower Upkeep

How did Arnesson solve the warehousing problem? He purchased a prefabricated steel structure with cement foundation and flooring, containing 20,000 sq. ft. of space. The plastic structure would have contained only 9,000 sq. ft.

"The immediate expense will be slightly more than the plastic building," Arnesson concluded, "but in the long run, considering maintenance and other things, the cost will be much lower."

Oklahoma's Fair Traders Take a Jolt from Court

Oklahoma City, Okla.—Oklahoma's fair trade law faltered last week on the constitutional issue.

District Court Judge A. P. Van Meter refused to issue an injunction against a retail dealer who had been selling fair traded products at prices lower than those established by the manufacturers for the Oklahoma City area.

The injunction was sought by Revlon, Inc., and American Home Products Corp. The dealer, American Mutual Co., contended the prices of Revlon and American Home Products were not binding because the firm had signed no agreement with the manufacturers or wholesalers of the products.

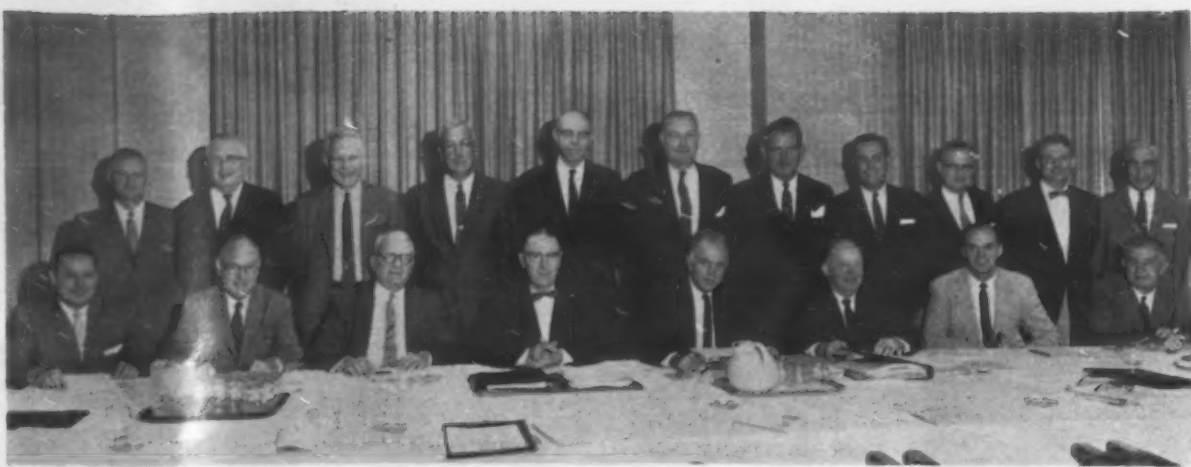
Washington Tight Money May Slash Order Sizes

Wilmington, Del.—Tight money policies in Washington will have an adverse effect on many purchasing operations, according to Willard F. Heisler, a Delaware Trust Co. vice-president.

Heisler told the Purchasing Agents' Association of Wilmington it can look forward to a period of smaller order-giving. But, he added, there will be more re-orders.

The Delaware financier said heavy U. S. Treasury borrowing will maintain the pressure on interest rates.

He predicted these rates will continue to climb until such time as Washington gets itself on a "sound fiscal basis" and labor and management are able to negotiate non-inflationary agreements.



MID-WINTER CONFERENCE of Public Utility Buyers' Group in Atlanta, Jan. 1 to Feb. 2 will attract some 700 P.A.'s Executive committee of N.A.P.A.

group (above) is planning a top-flight meeting. Chairman of the group, Joseph B. Homsher, of Gilbert Associates, appears fourth from the right.

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for
example



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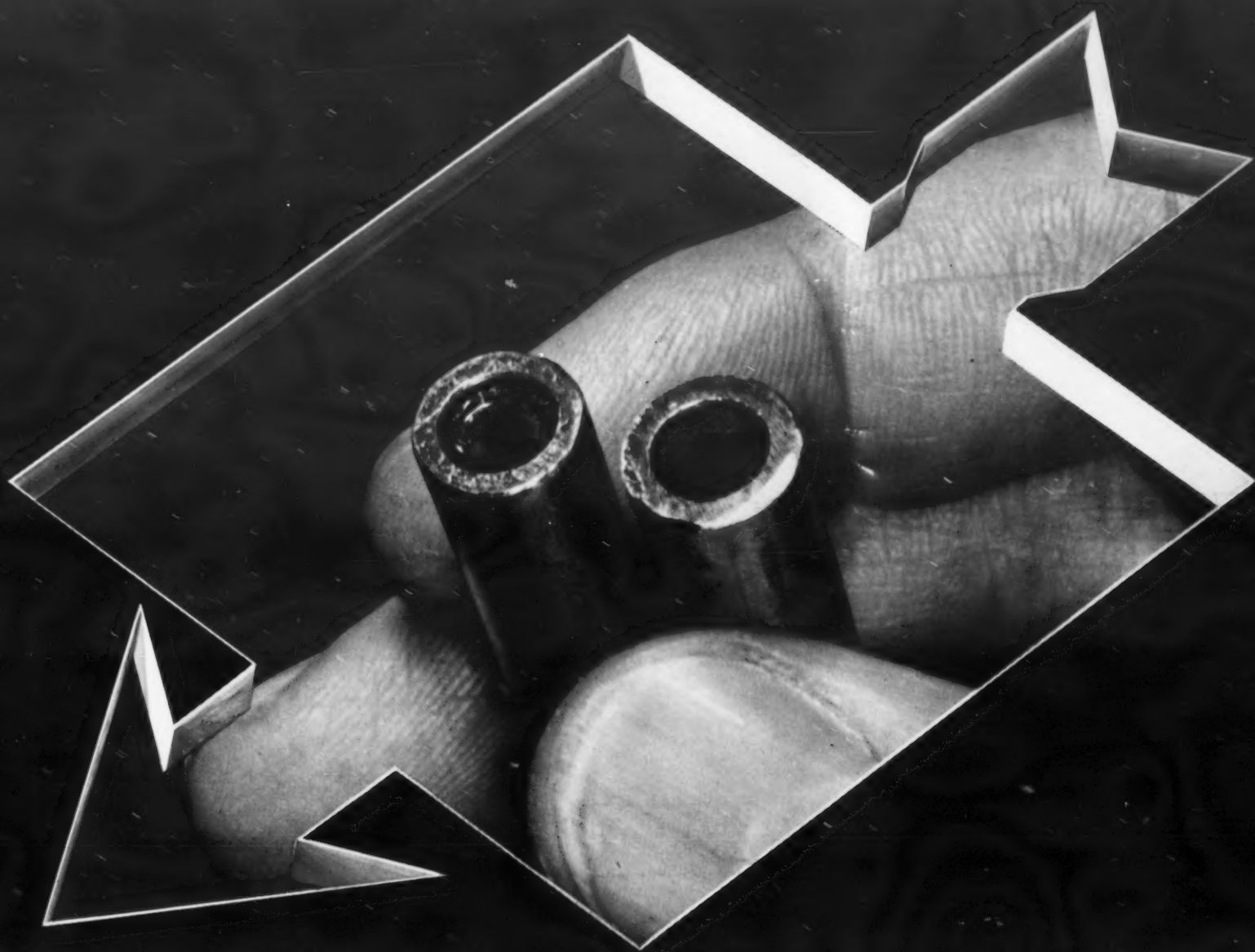
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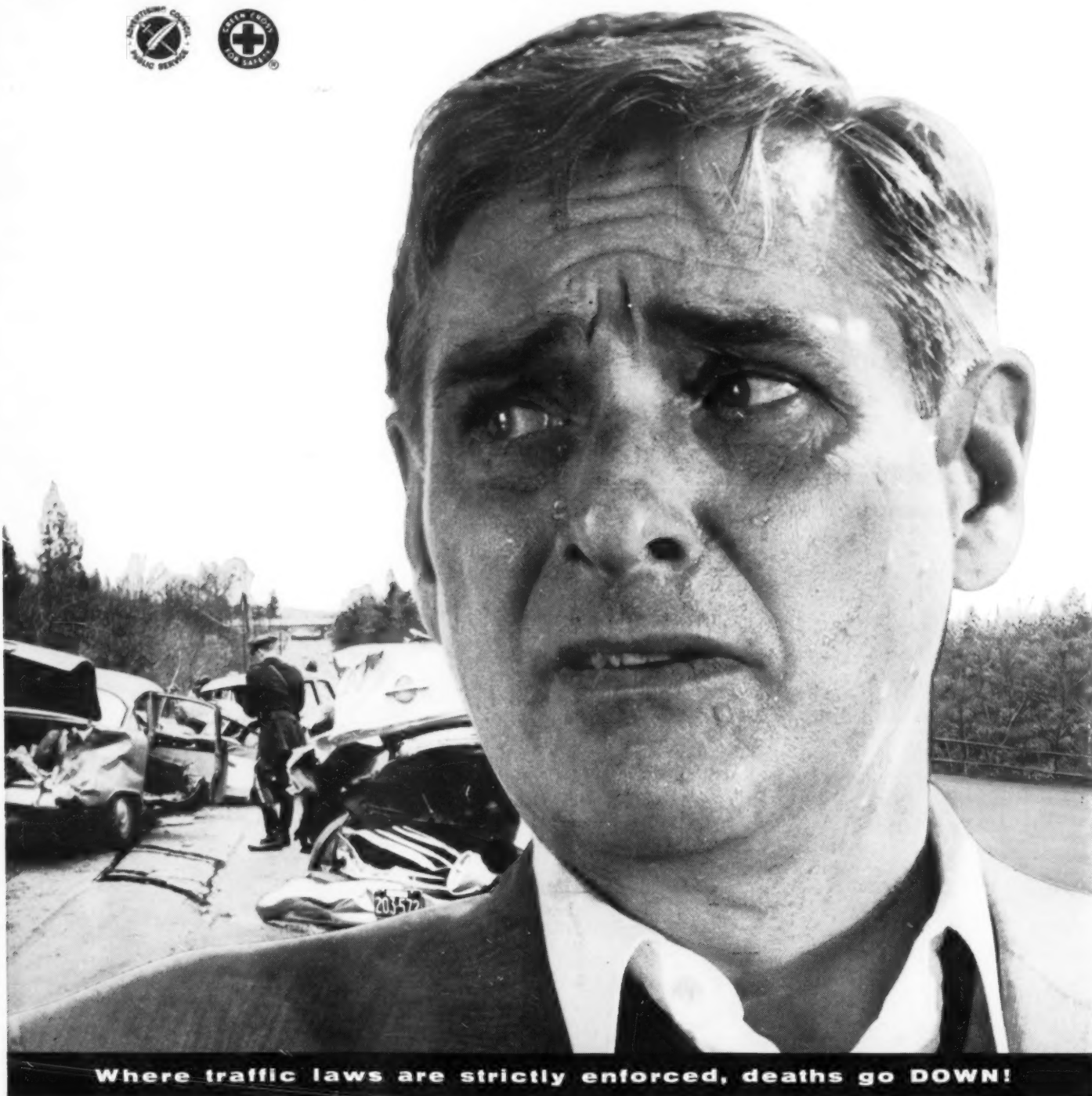
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Specifications on 1960 Fleet Car Models



FALCON is thought to be among the top-notchers in maintenance and economical operation. Ford claims over 30 miles a gallon at turnpike speeds. Two- and four-door models now are available with a station wagon to come. Overhead valve, six-cylinder engine is all new, puts out about 90 hp. Suspension is coil springs, front and rear.



CORVAIR is the most original of new cars. Its nearly all aluminum, six-cylinder, horizontally opposed, air-cooled engine is mounted in the rear atop the transmission and differential. Optional fold-down rear seat adds luggage space.



VALIANT has an inclined, overhead valve six of 115 hp. and will be available by mid-November in 4-door sedan and station wagon. Standard transmission is a floor shift; automatic optional. Trunk is all clear space with the spare mounted under the floor; body is unitized.



LARK enters the new year with little discernable change. Its stubby sheet metal is easy to repair. It's easy to park. Six and V-8 cylinder engines are available along with a complete range of power accessories. Over-all length, despite the orthodox wheelbase, is the shortest in the industry.



RAMBLER AMERICAN is a revival of the company's popular 1955 model, and the styling by intent will remain fundamentally unchanged. The six-cylinder engine can be coupled to an optional automatic transmission, and Rambler's combined heater-air conditioner is rated the best in the business.



FORD has had one of the most extensive styling changes in its history. A feature of particular interest to fleet operators is the hood that extends over what is normally the front fender simplifying service. Mechanically, the car remains fundamentally the same, with both six and V-8 engines available.



CHEVROLET has considerably softened its controversial gull-winged rear end, and in the opinion of many, improved upon its frontal appearance. It offers the widest range of sixes and V-8's in the low-price field. Inside, it has as much room as a Cadillac.



PLYMOUTH is available with a choice of a 145 inclined sixes or a range of V-8's. Body is of unitized construction and Torsion bar front suspension gives excellent ride and handling qualities. A complete range of body styles are available.



DART is a daring Chrysler effort to regain volume lost to accessory laden Impalas, Fairlanes and Furys. Dimensionally and mechanically identical to the Plymouth, it has its own unique styling. Seats that swivel automatically with opening and closing of the front doors are an interesting option.



MERCURY retains its old body shell, but has been elaborately "face-lifted." Its wheelbase of 126 in. is 6 in. longer than both the Ford and Edsel. Only V-8 engines are available, but less powerful options are designed to operate on regular gas. It is noted for its good handling qualities and acceleration.



PONTIAC was G.M.'s second most popular car in '59. Wider tires and axle are claimed to give car superior road handling capabilities. Only V-8's are available, but it has a special economy unit designed for operation on regular gas. Through the years it has enjoyed excellent resale value.



DODGE, with its 122-in. wheelbase, is 4 in. longer than cousin Dart. Styling too is distinctively different, but traditions of the past are retained with fins that seem glued onto the fenders. It is available with both six and eight cylinder engines, but most buyers prefer one of a wide range of V-8's.

Length (in.)	Weight (lb.)	Battery V	Gas Grade	Tire Size	Trunk Cap. (cu. ft.)	Change Oil (mi.)	Price*
181	2,366	12	reg.	6.00-13	23	4,000	\$1,746
180	2,340	12	reg.	6.50-13	11-16†	4,000	1,810
183	2,650 (est.)	12	reg.	6.50-13	25	5,000	2,000 (est.)
175	2,577	12	reg.	6.40-15	13	2,500-3,000	1,976
178	2,435	12	reg.	6.40-15	13	2,000	1,835
214	3,791	12	reg.	7.50-14	34	4,000	1,970
211	3,485	12	reg.	7.50-14	19	4,000	2,026
209	3,330	12	reg.	7.50-14	16.8	5,000	2,020 (est.)
209	3,385	12	reg.	7.50-14	31	5,000	2,076
219	4,162	12	reg.	8.00-14	28	4,000	2,389
214	3,870	12	reg.	8.00-14	18	3,000-4,000	2,631
213	3,725	12	reg.	7.50-14	30	5,000	2,561

* Price is manufacturer's suggested list for cheapest model in line. Transportation, accessories and taxes not included. † Optional fold-down rear seat adds 13.3 cu. ft.

Fleet Buyers on New, Small Automobiles: We Like 'em

More and More Companies Are Turning to Compact Cars as Big-3 Bring Out Models. But for What The Field Offers for Fleets See Chart on Previous Page

(Continued from page 1)
portation without the added costs of the big cars' non-important extras.

The City of San Francisco is buying compact cars for economy, for solving garaging problems, for easy on-street parking, and for easier maneuverability. The city also is hoping for reduced maintenance and operating costs and it anticipates a purchase price savings of about \$150.

Gathering Details

Many companies reported they are gathering the details—seeing how consumer acceptance runs. The buyer for Union Oil in Los Angeles said, "All our cars get extensive work-outs — therefore we must consider them not only from the economy standpoint but also from comfort and driver acceptance as well. Slight price reductions are not worth losing driver comfort."

J. W. Dorff, maintains a fleet of 1,800 cars for the City of Dallas. He says "although the new cars are bound to make an impact on the public, I wouldn't like to take a chance on them until they have been on the road for at least a year. I look for them to have bugs at first."

Leasing Companies Interested

Leasing companies report that their customers are following the new compacts closely. "The leasee dictates buying because we buy to meet his needs," says John Lynch, general manager of Trans-National Leasing. "We probably will buy a few and if they work out successfully, add more later. We haven't decided on any one particular car, but the most interest has been in the Falcon and Corvair."

Although most fleets have given small cars a try in the past year or two, some are just getting into compacts. The City and County of San Francisco reports that "for the first time we are getting into the compact line—currently are inviting bids from Lark, Rambler, and big three for seventeen 2-door and five 4-door models."

The City of Atlanta bought four Larks about three months ago. Superintendent of Transportation Homer Townsend says future Lark performance will mean a lot when time comes to decide on buying more of the compacts.

Big Cars Feel Bite First

The big three compacts may cut into Lark and Rambler sales, but probably not substantially. Regular Fords and Chevrolets probably will feel more of a bite. Up to now, if a fleet wanted to try the small cars they had to try Larks, Ramblers or else go foreign. The new cars will widen the entire compact market—once this is accomplished the real "battle of the makes" will start.

The situation in a large Western utility is typical of the present status of many fleet plans. The company began buying compact cars in mid-1958 and now has 70 Rambler Americans and Studebaker Larks in service or about to be delivered. It expects

to buy more compacts by the end of the year, but doesn't know which of the big three will get the nod.

The company has one Corvair and one Falcon on order for testing, and depending on the evaluation results it will either bid them against Larks and Ramblers or not bid them at all.

Testing seems to be the rule

of the day. A large Ohio manufacturer told PURCHASING WEEK, "We have just completed tests on Ramblers and they did very well. We got about six or seven more miles per gallon. Now we are planning to buy all three new compacts and keep careful operating figures."

Once the Results Are in . . .

A Cleveland fleet management firm seconds this. "Many of our customers are trying a few of the models now. They are running them in selected areas under con-

trolled conditions. Once the results are in we'll see how all the compacts stack up."

Car rental companies are getting into the act in a big way. Hertz has announced that it is buying 4,500 small cars made by big three and spending some \$10 million for Falcons, Valiants and Corvairs.

An initial order for 3,000 already has been placed and delivery is scheduled to begin mid-October. Hertz President Walter L. Jacobs says increasing demand by customers and a "strong indi-

cation that a compact U. S.-made auto has a definite place in the rent-a-car industry" are behind his decision.

Hertz has some 60,000 vehicles, including almost 24,000 in rent-a-car service in the U. S. and Canada, and Jacobs says most of the 4,500 small cars it has purchased should be in operation by the late spring of 1960. Jacobs adds that the Big Three cars "have an important role to play in the future of our rent-a-car operations, particularly in congested metropolitan areas."



Reynolds Type 33 Wrought Aluminum Tooling Plate

Here's a way to cut the cost of close tolerance production: It's Reynolds Type 33 Wrought Aluminum Tooling Plate. This new plate offers a stability, flatness, finish and workability never before possible at so low a cost.

Reynolds Type 33 Aluminum Plate is lightweight, easy to machine, and has a 32 maximum micro-inch finish for extremely smooth surfaces and close tolerances. It's aluminum, so it's lightweight and easy to handle, cutting labor costs, permitting use of smaller handling equipment.

And because Type 33 Plate machines, cuts, forms and welds easily and rapidly, it can speed production, cut tool costs. It offers new savings for light and heavy production, in applications ranging from aircraft parts to electronics. Type 33 Plate has already been used to speed pro-

duction and cut costs of plastic molds, drill plates, templates, assembly fixtures, structural supports, press blocks, and countless other parts and products.

There's no distortion when Reynolds Type 33 Plate is sawed or milled because it has minimum residual stress, meaning maximum stability. It is usable in more tooling applications because it offers freedom from porosity. And Reynolds Type 33 Plate is extra rigid—more rigid than magnesium, less brittle than cast plates.

Reynolds Type 33 Wrought Aluminum Tooling Plate is available in thicknesses from .250" to 6", widths from 24" to 120", and lengths from 36" to 480". For details, contact your local Reynolds offices, or write to Reynolds Metals Company, P. O. Box 2346-QP, Richmond 18, Va.

What Next? Oil Packaged in Square Fiber Cans

San Francisco — Fibreboard Paper Products Corp. is making a big pitch to the oil industry to adopt square-edged fiber containers as replacements for the old familiar one-quart metal cans.

In a company-sponsored symposium for oil company purchasing executives, Fibreboard said it could effect drastic reductions of storage, packing and handling costs with knock-down fiber containers.

"Let's face it," said a Fibreboard executive. "Oil is at the mercy of the can people. Maybe this sort of container will give

them room to move around." In addition to the quart container, Fibreboard showed oilmen a "bag-in-box" container and a "Fibreflo" container with a built-in-spout. A corrugated drum also was displayed.

The "bag-in-box," now being tested for grease, consists of an outer box with tear tape to provide a reclosable lid, a double-wall corrugated liner, and a 6-mil polyvinyl chloride flat bag.

"Fibreflo," now being tested in 2 and 5-gal. sizes for motor oil, consists of a box, liner, and a plastic bag. The box has a re-

movable die-cut panel for access to the bag spout, plus a die cut handle for pouring. The retractable pour-spout includes a screw-on cap.

Already in wide use in food and chemical industries, both containers were described as cheaper, lighter weight, and requiring less space.

"We are pushing for new uses in fiber," said Jack Grady, vice-president and general manager of Fibreboard's Packaging group. "Our prior work in food packaging suggests possible applications in petroleum."

Government Puts Chill On U.S. Highway Program

Washington—The federal government is putting a lid on the nation's multi-billion dollar highway program. New government controls on highway contracts mean possible trimming on original purchasing plans for steel and other roadbuilding materials in the months ahead.

Federal funds for highways still will total some \$2.7 billion during the current fiscal year. But there are new ground rules gov-

erning expenditure of the money, and a cut of over \$400 million has been made from previously estimated expenditures during fiscal 1959-60.

The federal government has told states that they will be allowed a total—for all states—of \$600-million in the period from July 1 through October 31, 1959. Because the controls over highway expenditures are just now going into effect, the bulk of this quota already has been spent or obligated by states. Between November 1 and December 31, total federal expenditures amount to only \$300-million. From January 1 through March 31 it is \$900 million. And, from April 1 through June 30, 1960 another \$900 million in federal money will be available.

Same Basis

States will get their slice of the total federal money available on the same basis as they now receive their annual apportionments—based on each state's percentage of unbuilt roads to the nationwide total. Monies due a state during any quarter that is not spent can be accumulated without loss to the state.

The new decision by the federal government to tighten controls over highway spending came directly from the White House. It stems from the shortage of funds in the special highway trust fund to pay for the new roads and the President's firm decision not to let the program go into deficit spending.

Sharp Restrictions

The action means that states will have to impose sharp restrictions in their purchases for highway construction. The Bureau of Public Roads will keep a close tally in all of its field offices on state expenditures that require federal reimbursement. If they go over their quotas, states will be forced to wait for federal payments.

Right now, the Bureau of Public Roads estimates it will be late in fiscal 1963 before payments can be made if a state elects to proceed with construction faster than the outline spending quota calls for.

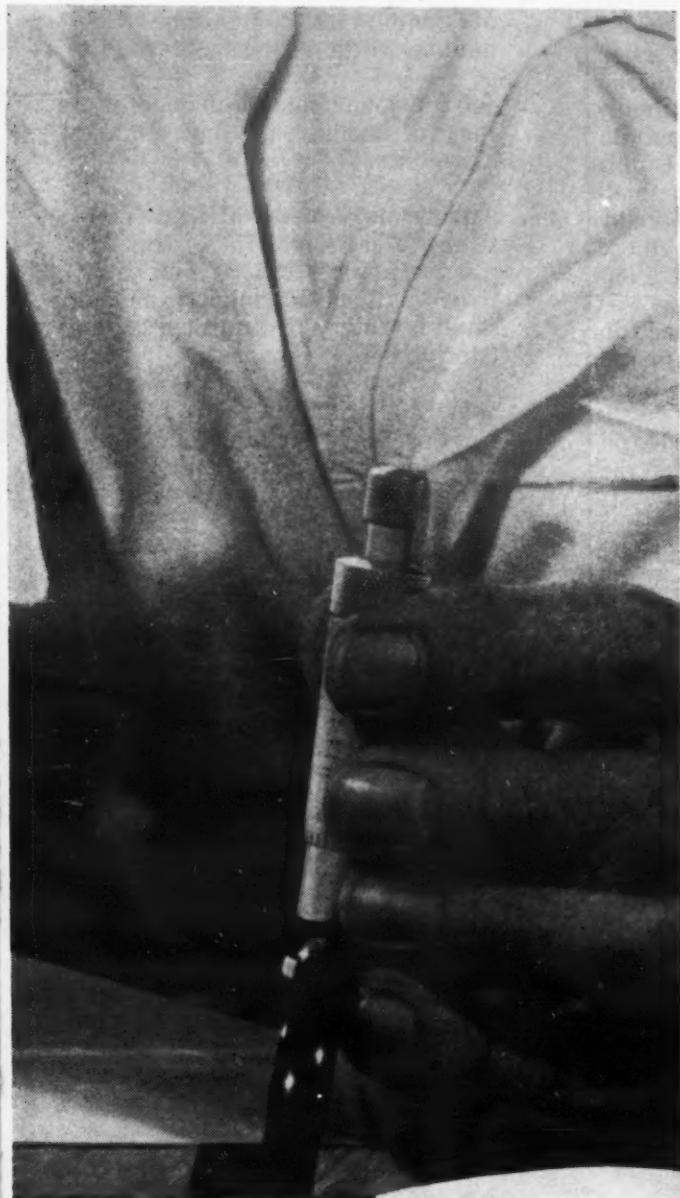
Close to \$2.7 Billion Mark

Federal-aid to states for highway construction is expected to stay pretty close to the \$2.7-billion level imposed this year for the next couple of fiscal years at least. Then, it will depend on how the tax monies from gasoline, tires, tubes, etc. imposed on motorists to pay for the roads totals up if more money is to go for roadbuilding.

The Wages of Sloth

Hartford, Conn.—Over 85% of steel firetube boiler failures were traced to neglect, carelessness, indifference, or ignorance on the boiler operator's part, according to a recent study of 1715 breakdowns by the Hartford Steam Boiler Inspection and Insurance Co.

In addition, Hartford reported, over half of these failures were due to lack of testing and maintenance of control devices.



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PRICE VARIANCE REPORT									
DATE									
MATERIAL NUMBER	PURCH.	MPD.	ORDER NUMBER	QUANTITY	STANDARD PRICE	ACTUAL PRICE	PRICE VARIANCE	VARIANCE %	VARIANCE AMOUNT
642	X		1366	200	2.72	2.99	.27-	10-	54.00-
1937	X		1302	350	.96	.91	.05-	05	17.30
2606		X	2045	800	.85	1.20	.35-	41-	280.00-
					OTHER MINUS VARIANCES				20.06-
					OTHER PLUS VARIANCES				102.40
					TOTAL VARIANCE				225.16-

EASILY PROVIDED by small computers, this report shows details on all variances greater than, or equal to, \$100 or 5%, and accumulates totals on lesser variations.

OVERSTOCK REPORT									
DATE									
PART NO.	CN HAND	CN ORDER	PURCH.	MPD.	RE-SEALED	AVAIL-ABLE	MINIMUM + ECON. LOT	OVERSTOCK QUANTITY	WEEKS OVER-STOCK
824	200			X		200	50	150	10.2
834	345			X		345	50	295	8.6
1002	1000	3500	X		500	4000	3900	100	34.3
									2.0

QUICKLY AVAILABLE through small computer, this report spotlights items in oversupply. Such parts tie up more than their share of inventory dollars; pose obsolescence threat.

Small Computers Solve Inventory Problems

"What can a computer do for my company?—for my department? Is a computer our best bet for our data processing and management control problem?"

These are questions purchasing executives of smaller and medium-size companies are increasingly asking themselves—and questions being asked of them by

their managements. Too often, according to data processing equipment manufacturers, smaller and medium-size companies compare their present equipment costs with costs of computers too large and too expensive for their needs.

Here, on this page, is a description of a computer that costs less than \$50,000

(or rents for less than \$1,500 per month), and an explanation of just what it can do for a smaller or medium-size company in an inventory management application by a company.

This article is excerpted from a presentation made by data processing engineers of the Royal McBee Co. at the High Speed Computer Conference at Louisiana State University. It is not normally PURCHASING WEEK policy to publish excerpted material, but we feel this inventory control application by a small computer is of particular interest to many purchasing executives, especially those purchasing men of smaller and medium-size companies.

The particular computer mentioned in this article is but one of several fine makes available to purchasing men from a number of manufacturers.

It has been our experience at Royal McBee in our systems work over the years that we have received more requests for help on inventory control problems than on any other application—an experience reportedly shared by most of the rest of the office equipment industry. It would seem that management considers control of inventories to be the most difficult of all management control problems.

If we are to have a really meaningful discussion of computer application, we need to consider some of the more detailed inventory record-keeping and reporting procedures. We must deal in a concrete example. You will have little difficulty in relating the detailed procedures to the ones required to handle the specific problems in which you are interested. This sample problem is based on a number of actual inventory applications processed by the LGP-30 Computer. In-

dividual applications involving specialized details would be of less general interest.

Sample Problem

1. A medium-sized organization of 500 employees doing some \$15-million worth of business yearly.
2. Job-lot manufacture of repetitive runs of metal parts and simple assemblies.
3. An inventory of 3,000 items consisting of raw materials, work-in-process, purchased parts, fabricated parts and sub-assemblies, and a small inventory of furnished goods (stock parts).
4. Some 300 withdrawals from stock per day (an average of one withdrawal per part every ten days with by far the heaviest activity in raw materials).
5. Some 100 production orders released per day.
6. A work-in-process cycle averaging about six weeks.
7. A standard cost system including both material price and usage standards.

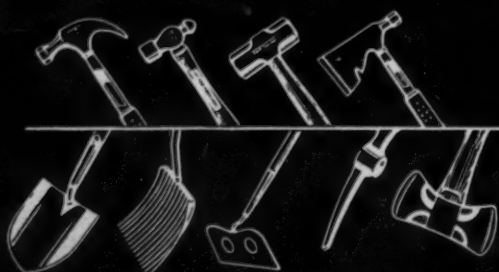
From copies of shop orders and procurement orders, unit tickets are created for each material or part required or ordered. After the tickets are created, they are sorted into material number sequence and converted to punched paper tapes. The tapes then are input to the computer, which makes the appropriate

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Las Vegas	DUDley 2-4730
San Francisco	EXbrook 4-1055
Oakland	Olympic 2-1274
Los Angeles	ANGles 2-3193

entries. Since the input is sequenced, the whole inventory need not be handled at one time. but may be read in and punched out in batches.

Inventory Status

The inventory status is carried as a number of balances:

1. Quantity on hand (actually in the bins).
2. Quantity on order (from outside vendors or by production order).
3. Quantity reserved for outstanding production orders.
4. Accumulated usage and price.

In the process of storing and updating the inventory status there is normally no print-out since these balances are more a means to an end than they are meaningful reports.

The computer can be interrogated about the status of any item, however, and if data is in external tape storage, the appropriate tape can be searched by the computer, and the status printed out in an average of one minute.

'Available Balance'

In addition to the balances stored in the computer, there is another balance which is not stored but rather computed and punched out. This is the "Available Balance" which is defined as the quantity on hand, plus the quantity on order, less the quantity reserved, and represents the quantity against which production may be planned. It is the most meaningful of the individual item balances, and, as such, is punched out complete with its associated inventory code number and typewriter control information so that it may be printed on an off-line tape typewriter if desired. The primary purpose of punching it out is to keep a permanent record of inventory.

Inputs-General

The major inputs to the inventory control system are of two main types: the reservations and issues, which spring from incoming orders and tend to decrease inventory balances, and the procurements and receipts, which spring from purchase and production orders and tend to increase inventory balances of a company.

Reservations and Issues

Since our hypothetical company has a comparatively long in-process cycle of six weeks, it is necessary in some way to earmark materials reserved for orders which already have been scheduled. This we do by taking the incoming sales orders (in another company it might be the sales forecast) exploding them to their material components and adding them to the reserved balance. These components, arranged in material number order and converted to punched tape, become the "reservations" tape. This tape, input to the computer, is added to the reserved balance. This increase in the reserved balance has the effect of decreasing the balance available for production which is computed rather than stored.

After the "reservations" tape

is created the cards are forwarded to the materials issuing activity where they are held pending issue. When materials are issued, the amount issued is noted on the cards which then are returned to part number sequence and used to produce the "issues" tape. The "issues" tape is input to the computer. There the quantity is subtracted from the balance on hand and added to the accumulated usage.

Normally the quantity reserved and issued are both the same. If they are different, the computer stores both, plus the part number and order number for later print-out as purchase-price variance.

REORDER REPORT											PURCHASED <input type="checkbox"/>		
DATE _____											MF'D. <input type="checkbox"/>		
Part No.	On Hand	On Order	Reserved	Available	Minimum	Lead Time	Usage	Optimum Reorder Quan.	Std. Price	Std. Cost	Authorization		
											Quan.	Initial	Order No.
1234	306	200	228	78	100	3.9	28.6	200	37.27	745.40	NOTE: This area not printed by computer		
1307	1625	---	1400	225	410	6.0	68.3	1700	.30	510.00			
1449	---	100	48	52	60	6.0	10.0	250	44.00	1100.00			

ANOTHER REPORT SERVICE of small computer is this all-important one. Minimum is computed from

lead time, usage, and emergency supply figures. Reorder quantity is based on economic lot data.

Cards used in the various transactions are stored in the permanent file by order number for subsequent analysis as desired.

All the printed outputs consist of group totals or reports of exceptions which require management attention. Reports on indi-

vidual items or a complete print-out of all items can, however, be obtained when desired by the purchasing department.

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'Moonlighting' Rate Rises; Farm Labor Leads

Multiple Job Holders Change the Purchasing Power Of Our Nation, Cause Labor Market Repercussions

Washington—How many people in your department hold down more than one job? Chances are, if your's is the typical department, you have a lot more multiple job holders on the payroll than you think—certainly more than ten years ago.

That's the major conclusion to be drawn from the latest Labor Department study on multiple job holding or "moonlighting" as it is commonly referred to.

It is an important new trend. Besides the obvious possible effects on worker efficiency, moonlighting changes the purchasing power of a large segment of our population and has repercussions throughout the labor market.

1.2 Million More

The extent of the new trend can be seen from looking at "moonlighting" totals for 1950 and today. According to the survey, only 1.8 million workers in 1950 held down two or more jobs. Today the figure is well over 3 million.

The figures are just as impressive in terms of per cent of the labor force. In 1950, only 2.9% of the labor force was involved in multiple job holding. Today, the figure is close to 5%.

Putting the figures another way, one out of every twenty American workers today holds two or more jobs.

Of course, the incidence of moonlighting varies by occupation. To what extent this is so can be seen from looking at the chart (above, right) which breaks down multiple job holding into various occupations.

Farm Laborers Most

Far out in front, percentage wise, are farm laborers. Over 9% of all workers in this occupational category are reportedly holding down additional jobs. Next in line are individual farmers where one out of twelve admit to moonlighting.

The highest rate in the non-farm category is among professional personnel (6%)—with male school teachers leading the pack. The lowest non-farm moonlighting rate is among managers and other non-farm business officials who show only a little over a 3% rate.

But percentages don't tell the whole story. It's important not to lose sight of the fact that there are a lot more non-farm workers than farm workers. That's why—in terms of sheer numbers—the non-farm segment is by far the most important. Almost ¾ of the people with more than one job are non-farm wage and salary workers.

Job Correlation Low

In another important finding, the study shows the great majority of multiple job holders (more than 70%) are working in two entirely different occupational categories on their primary and secondary jobs.

The new survey also contains a significant amount of data on the personal and economic characteristics of the multiple job holders. For example, the practice is much more prevalent among men than women. And,

as might be expected in view of greater financial responsibility, married men have the highest rate of all.

The report had little to say about the possible effects on worker efficiency. But the data did show that multiple job holders do put in a more fatiguing week.

In manufacturing, for example, 43% of the people with two or

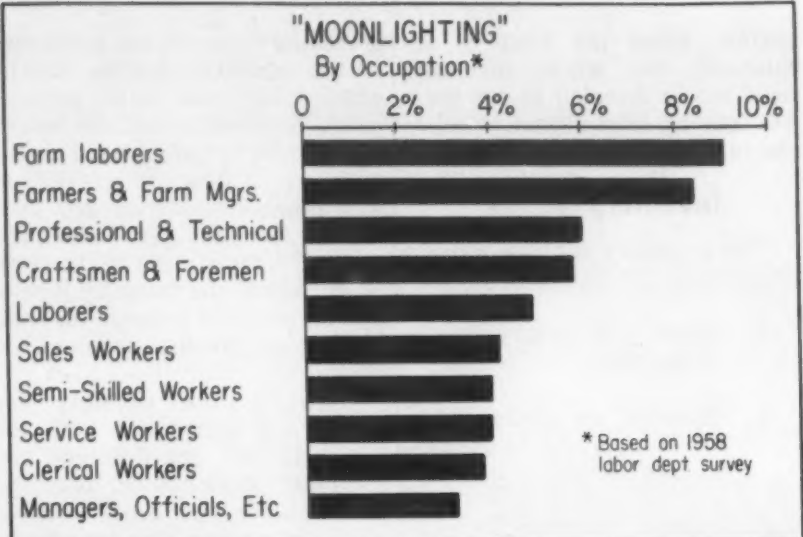
more jobs put in 49 hours of work or more. Only 6% of the single job holders work that number of hours.

In working these long hours, multiple job holders hold different combinations of full and part-time positions. This is the pattern that showed up in the survey.

• 65% of those queried have a full-time basic job and a part-time secondary post.

• 30% work part time on both jobs.

• 5% have two full-time jobs.



Purchasing Week

October 19, 1959



— a new concept in corrugated containers that can help cut your



A year ago, Mead made news with its Mead Bonded Containers in which Mead containers that bear the Mead Bonded seal are guaranteed with a \$500,000 bond to meet the specifications of Rule 41 and Rule 5. Now Mead makes news again—with a new, more dynamic, more functional container concept... Mead Container Power! With Mead Container Power, your corrugated shipping containers can work for you in powerful ways that go far beyond just protecting your product during shipment.

Mead Container Power helps cut your packaging costs—can save man-hours on the packing line, save materials in the container itself.

Mead Container Power helps sell your product—your containers can do a better merchandising job—work hard for you at the point of sale.

Mead Container Power smooths your product's way through distribution channels—through better handling, stacking, identification on the loading dock, in the warehouse, in the stock room, on the sales floor.

Sullivan Valve and Engineering Co. Gets Set to Open Butte Brass Plant

Italians Draw a Bead on Industrial Buyers

Butte, Mont.—Sullivan Valve and Engineering Co. announced it will establish the Northwest's first brass plant here in the near future.

The new Butte Brass Co., to employ 50 to 100 persons, will manufacture gas controls, brass valves and fittings in conjunction with the control division of Sullivan Co.

Tim J. Sullivan, president, said he will negotiate purchase of an Eastern brass company and trans-

fer its operations and equipment to Butte to accomplish the proposed installation.

New Shipping Combine

Duluth, Minn.—A group of New York and Duluth business men have announced formation of the Duluth Superior Shipping Corp., a new firm of steamship forwarding and charterers' agents and traffic consultants.

Milan — Italian industry, strong on finished consumer goods exports, now is hungry for a larger share of the U. S. industrial market.

Big surprise in 1960 could be chemicals, with Montecatini Co., of Milan, leading the way. The giant plastics manufacturer is currently building a new plant in Huntington, W. Va., to overcome U. S. tariff restrictions.

New products from Montecatini include a polyethylene-glycol called "Montivel." It has transparency and resistance that

may score well in the packaging field.

Italy last year exported \$25 million worth of machine tools. Manufacturers plan on doubling and even tripling this figure in 1960, and they are counting on U. S. markets as outlets for biggest share of this pie.

They hope to find takers for automated machine tool equipment and will introduce a longer line built especially for export.

Big problem for the nation's industry has been U. S. tariff restrictions on unfinished goods.

Italy's outmoded production methods are another.

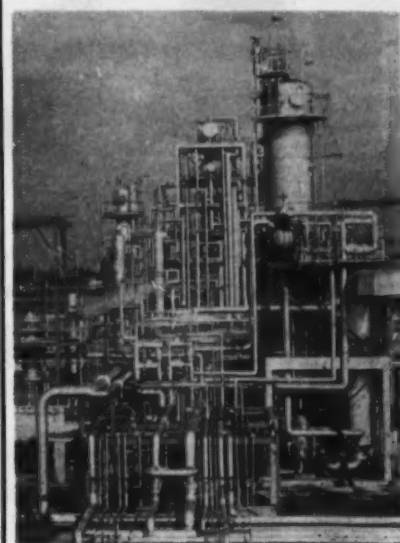
Italy hasn't switched to full-scale mass production, and although it boasts lower labor costs, Italian exporters have ocean transport costs, higher over-all costs connected with limited output, and modest financial resources for expansion and advertising.

As a result, industries such as metalworking have suffered. Exports of iron and steel products, for example, won't reach more than 3,000 or 4,000 tons in 1960—they just can't compete with the Germans. Non-ferrous metal products will, at best, only just fill U. S. quotas.

Nevertheless, the over-all Italian-American trade picture is an ever-brightening one for Italy.

After Germany, the U. S. is Italy's best customer, absorbing 9% of its exports—and the trade gap is rapidly disappearing.

Exports to America for the first half of 1959 topped \$174 million, an increase of over 48% for the same period in 1958,



CHEMICALS—Italy's new strong bidder for the American market.

while the number of American products entering Italy dropped almost 18% to \$189 million.

Bulk of this trade has been finished products, especially cars, sewing machines, office equipment, wearing apparel, and handicrafts.

Fiat and Necchi have been and will continue to be undisputed leaders in auto and sewing-machine industries. Fiat, along with Alfa Romeo, will be shooting for the 50,000 car mark in 1960.

Olivetti, bolstered by its recent acquisition of a one-third interest in Underwood Corp., should score well again in the American office-equipment market. (Indications are Underwood will market Olivetti-made business machines under the U. S. typewriter company's label.)

But Italy's trump card in 1960 will be textiles and wearing apparel.

Takes Over Assets

Detroit—Michigan Tool Co. has taken over assets of Gear Grinding Tool Co. relating to gear-grinding machines and processes, and is establishing a new division responsible for engineering, manufacturing, service, and sales of such equipment.

All previous activities relating to gear grinding at Gear Grinding Machine Co. will be continued at Michigan Tool without interruption, the company said.

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Foreign Perspective

London—The key question during the year ahead is how wages policy will be tackled by the country's new conservative administration.

You can expect some surprises. Wage hikes certainly will be forced through only after tough scrutiny.

But don't anticipate a deliberate show-down with the labor unions. Government was returned on a moderate ticket and it aims to keep it that way.

But the wages problem is almost number one on the home front. If labor gets its way, the old inflationary pressures could be back again playing hob with the economy.

Another inflationary force is import prices. What Britain pays for imported

commodities isn't likely to be less from now on.

However, general rises in wages and less favorable terms of trade are pretty well taken for granted now. That being so, continued price stability will largely depend on how far productivity keeps abreast of wage hikes.

• • •

Paris—Chemical exports from common market countries are racking up smart gains.

In France, for example, outgoing shipments of chemical products during the first half of 1959 ran 20% ahead of '58 levels. Booming production was primarily responsible for the gain—as sharp output increases were reported for sulfuric acid,

Conservatives: What Wage Policy?

ammonia, calcium carbide, chlorine, acetone, methonal, synthetic phenol, and phthalic anhydride.

Much the same bright chemical outlook is true for Germany where exports in the first half of 1959 soared to \$605 million.

An interesting wrinkle on the German picture: Despite a 28% increase in shipments to the U. S., Germany still remained a net importer of chemicals relative to the U. S. So far this year, for example, German chemical imports from America are running at close to twice her exports to the U. S.

Italy, too, comes into the booming chemical picture. Italian exports of chemicals hit \$117 million in the first half of 1959—close to 20% above '58.

• • •

Bombay—New rubber agreement may turn out to be the biggest single U. S. private investment in India—outside of oil investment.

Another step in New Delhi's drive toward industrialization—it involves construction of a modern giant synthetic rubber factory. It will be jointly financed by an Indian firm and the Firestone Company of America.

As the proposal now stands, the plant should be ready for production in about 2½ years—with an initial rated capacity of 20,000 tons per year of G. R. S. rubber, lattices and other rubber products. Plans call for later expansion to 30,000 tons.

The project also envisages the setting up of two other plants, one for styrene monomer of 9,000 tons per year and another for butadiene of 22,500 tons per year.

• • •

Bonn—West German exports to the United States continue to soar.

During the first half of this year they

jumped to \$399.6 million. That's 44% above the \$277.6 million figure listed for last year.

This makes America the biggest customer of Germany for the first time in history.

And if current trend continues, West German-U. S. trade may be balanced over the year as a whole. If it is, it will be for the first time after continuous big German deficits during all previous postwar years.

Biggest rate of increase in exports to the U. S. (197%) was enjoyed by rolling mill products. Next in line was a 75.4% increase of automotive vehicles which dollarwise (\$138.8 million) are still by far the largest export item.

Machinery exports went up by 7.9% to \$41 million, tool and cutlery exports by 42.2% to \$21.9 million, and chemical finished products by 17.7% to 19.8 million.

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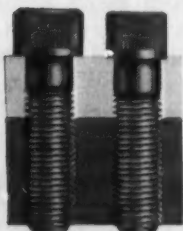
Ever since Allen first produced the hex socket head screw nearly fifty years ago, specifying *genuine Allens* (made by Allen of Hartford) has been a sure way to guarantee dependable threaded fastening.

Only *genuine Allens* have Leader Points that make starting easier, and greatly minimize danger of cross threading. *Genuine Allens* are "pressur-formed" to preserve the long fibers uncut throughout the length of the screw, giving stronger sockets for greater tightening torque.

Write for samples and engineering data. See how *genuine Allens* will make your product better.



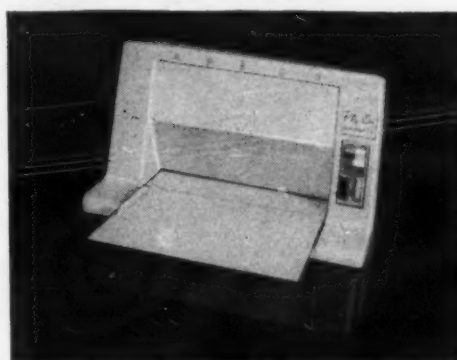
Allen's new 1960 Series Socket Head Cap Screws give up to 2½ times more load carrying capacity, without indentation.



Head diameter of sizes from ¼" up is now uniformly 1½ times the body diameter—providing more under-the-head bearing surface, and a proportionate increase in clamping force. Write for new Bulletin G-25, with full specifications.

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1029 North Kolmar, Chicago 51, Ill.



A giant 55-gal. tin can is being successfully used to pack and ship fruit and vegetable concentrates. It might even replace the conventional No. 10 size tin can which has for so long supplied the food remanufacturing market. Lining is of electrolytic tin plating. A special centrifugal spray process permits application of enamel over the tin-plate.

Corrosive attack under severe atmospheric conditions is a serious problem now solved by two tin alloy coatings. A 75 tin-25 zinc coating has been used with considerable success on hydraulic brake parts and landing gear equipment. 25 tin-75 cadmium coated on reciprocating engine parts overcomes low corrosion resistance of normal steels.

Organotin compounds, such as dibutyl tin dilaurate, are added as stabilizers to vinyl plastic sheet to make it heat- and light-resistant when used as windows.

A tin-plate printing machine handling 4-color work is reported by a British firm. It will inexpensively print full-color labels directly onto all sizes of cans up to one gallon in a single operation. The labels will withstand great extremes of temperature.



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U.S. Shifts Its Foreign Trade Policy Thinking

Our New Policy Trends Will Affect Overseas Sales And Industrial Goods Bought from Foreign Nations

Washington—U. S. trade policy-makers are headed toward two new trends that will effect not only overseas sales but also American industrial purchases in foreign countries.

• Washington is pushing foreign countries hard to scrap remaining monetary and trade controls on imports from the U. S.

• There is the beginning of a thaw in U. S.-Soviet trade relations that in time could change the ground rules for trade with the U.S.S.R.

Fund to Take a Stand

U. S. pressure for removal of discrimination against dollar goods in world markets showed up clearly at the recent meeting of the International Monetary Fund in Washington. The fund will take a stand within the next couple of months against the use of discriminatory monetary controls. The action will influence many governments in Europe, probably also with Japan.

The campaign against discriminatory trade controls also will be waged by U. S. officials at the G.A.T.T. meeting in Tokyo Oct. 23. The fund's coming move against monetary restrictions will make it harder for foreign countries to justify continuing discriminatory trade controls.

Discriminations against imports from the U. S. are a hold over from the postwar period when the world was desperately short of dollars and it was U. S. policy to help foreign countries to acquire the dollars they needed to rebuild their economies and stabilize their currencies and international payments.

Shoe Is on Other Foot

Now the shoe is on the other foot. The U. S. lost over \$3 billion in gold and dollars to foreign countries last year—mostly to Europe—and will lose another \$4 billion or more this year. Meanwhile, seventeen countries have made their currencies convertible on current non-resident account and the bulk of the world's trade is conducted in convertible currencies. The justification for shutting out dollar goods has disappeared for all but a few hard up underdeveloped countries.

More Could Be Done

Many countries have taken measures already to reduce discrimination against imports from the U. S. but a lot more could be done.

Chances are that the bulk of discriminatory restrictions against dollar goods will be scrapped over the next year or so.

This will open up new opportunities for U. S. traders in a broad range of goods. Products of light and specialized industries will be most affected—consumer durables and luxury items.

Competition in the newly opened markets will be generally tough though. Europe and Japan have proved in world and U. S. markets that they are increasingly competitive across the board.

Khrushchev's visit has opened the way for relaxation in U. S.

restrictions on trade with Russia. He agreed to reopen long stalled negotiations on repayment of Soviet lend lease obligations. The U. S. wants \$800 million; the Soviets have offered \$300 million. A deal is possible if Khrushchev is prepared to split the difference.

The Administration is considering a number of moves to normalize trade relations if

Khrushchev follows through on lend lease. Strategic controls would be gradually eased. To help Moscow get dollars to buy here Congress would be asked to repeal or amend the Johnson Act to make the U.S.S.R. eligible for long term private credits, to remove the embargo on Soviet furs, and to give the President authority to extend most favored nation treatment to specified Soviet exports.

If that were done, Washington would try to negotiate a trade agreement with the Soviet Union

providing for specified exchanges of goods and for safeguards on patents, copyrights, licensing arrangements, commercial representation.

U. S.-Soviet trade won't increase very much, of course, in the absence of official credits—which aren't in the cards. The Russians don't have enough to sell which we want to buy to be able to buy much in return. At the most, trade might increase to \$100 million a year each way in the next few years compared to \$17 million we imported from Russia and the \$3 million we exported to Russia last year.

But specific items would be easier to buy or sell. Soviet

ermine, fox, kolinsky, martin, mink, muskrat, and weasel furs—banned since 1951—would be back on the market. Russian manganese and chrome sales might rise too. And there's a longer range chance for increasing imports of specialized Soviet scientific and other equipment.

On the export side, it may be easier to get licenses for heavy advanced types of capital equipment for beefing up Soviet consumer industries, for sale or licensing of advanced technological know-how, perhaps for some construction and farm machinery. Increased Soviet purchases of some types of fertilizer can't be ruled out.

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New 1959 Smooth Panel Steel Volume★Van



Q Which makes the most sense in our operation, aluminum or steel Trailers?

A If the products you ship are compact, and heavy in weight, an aluminum Trailer will quickly pay for itself with the extra tons it permits you to load. . . due to its weight-saving features.

If your shipments are light in weight, and bulky, the weight of the Trailer is less important. And, steel carries the lowest price tag, bears up under the toughest shipping conditions.

Q Must a Trailer be all-steel or aluminum?

A With the flexibility of Fruehauf's new 1959 interchangeable line, you can specify some components in steel, others in aluminum, to attain the weight savings you need at the price you want to pay. For instance, you can order aluminum frame

crossmembers for a unit that is otherwise all-steel, for a major reduction in weight. Likewise, the roof bows, door facings, structural posts, and body panels are interchangeably steel or aluminum.

Q Does Fruehauf flexibility add to the cost?

A No—it saves you money! The actual interchanging is done on the production line . . . at mass production prices!

Q I'm no engineer. How do I go about making the best selection of components?

A Once your local Fruehauf representative knows the nature of your operation, and the price and weight you're shooting at, he will recommend a Trailer that's designed right and priced right for your specific needs. Give him a call today!

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Czech Machinery Industry Looms Serious Threat to Western World

Red Economists Predict Czechoslovakia's Exports Of Heavy Machinery to the West Up 25% by 1965

Brno, Czechoslovakia—Czechoslovakia is poking its big industrial head through the Iron Curtain.

This was made clear last month when some 30 Communist countries displayed what was the Soviet world's most concentrated machine show on over 125 acres of ground here at the Brno International Trade Fair.

Already undisputed leader among machine-manufacturing countries in Soviet orbit, the Czechs now lay claim to fifth place among world machine-producers.

Here's how the Czech machine trade shapes up:

Total exports in 1958 amounted to \$936 million, with 67.4% (545 million) going to Communist countries and 32.6% (\$130 million) to the Free World.

Trade-wise, these figures left Czechoslovakia in good shape, with imports from fellow-traveling countries adding up to \$218 million, while the West supplied a mere \$43 million worth of machines.

With Red leaders planning to increase 1960 machine-trade investments by 35%, next year should see a 13.4% boost in output and a resultant 19% rise in exports.

Up 25% by 1965

By 1965, say Red economists, Czechoslovakia's exports to the West will be up 25%. Imports, too, they admit, will rise, but the balance of trade will still favor the little Red satellite.

"Czechoslovakia," said Deputy Heavy Trade Minister Karel Polacek, "is ahead of even highly-developed countries as far as 'per capita' machine production is concerned—but it lags far off in basic work productivity."

A big disadvantage, admits the Deputy Minister, is that Czech machines are on the average 20% heavier than comparable Western machines, thus consuming more power to accomplish a given job.

The Cost of Copying

"Rude Pravo," top Czech daily, says "some of our shops design machines which are already in quantity production in the capitalist countries. They are outdated when they reach the mass-production stage here."

Western industrialists say "such is the price of copying."

Big danger in Czech economy, say Free-World economists, is that, with over 50% of total exports coming from the machine-making industry, even the slightest foreign market fluctuations could cause major upheaval in this one-sided economy.

Nevertheless, with exports up over 50% in the last five years, the Czech machine manufacturers must be considered a serious threat to the West in the years to come.

Canada Will Have Own Liquid Caustic Potash

Cornwall, Ont.—Canadian Industries, Ltd., has announced it will build this country's first unit for liquid caustic potash production at its chemical works here.

When completed in mid-1960, the \$500,000 unit will have a capacity sufficient to meet all present Canadian requirements and those of the foreseeable future, company officials said.

Global Cotton Industry In a Brighter Position

London—The international cotton industry now is "well out of the recession," states Britain's cotton board in a cheerful report.

The board points up these trends:

- World levels of activity are higher.

- Order books in many countries are lengthening.

- In some, but not all, cases profit margins are looking healthier.

The U. S. situation is emphasized as being the most favorable

for years with the margin between raw cotton and cloth prices widening steadily since October 1958.

Ireland May Crack Down On Foreign Trade Deficit

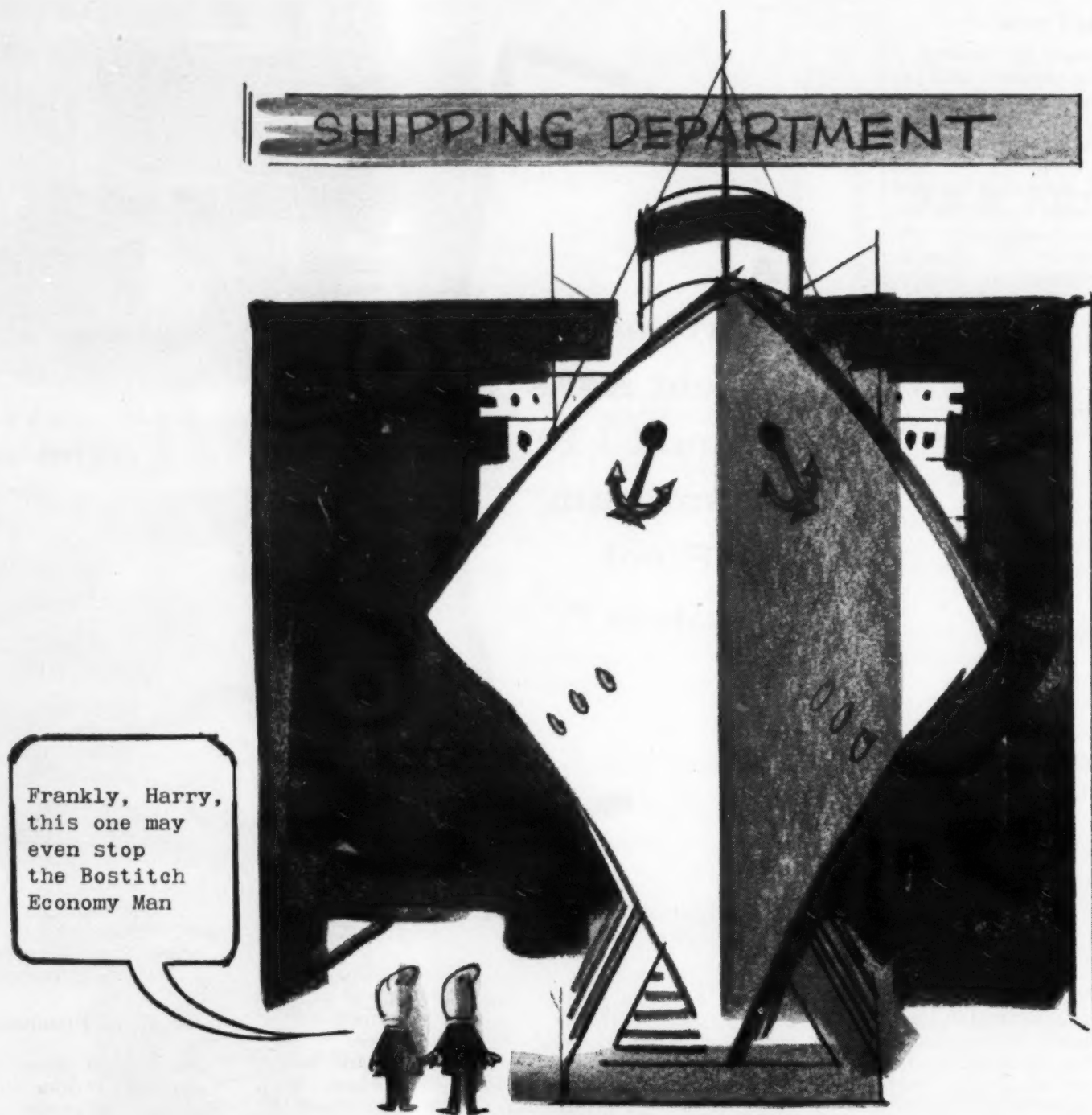
Dublin—A \$170.8 million foreign trade deficit at the end of the first eight months of 1959 may force the government of Eire to take emergency action against imports.

The gap between imports and exports is \$56 million greater for the first eight months of this year than for the corresponding period last year.

New Mexican State Cars Can Use Premium Gas Only in Dire Emergency

Santa Fe, N. M.—State operated vehicles in New Mexico will be permitted to use premium grade gasoline in emergency situations only effective Oct. 1.

Gov. John Burroughs ordered blanket use of regular grade fuel in a move to tighten controls on state expenditures. State Purchasing Agent Dante Vaio's approval is required in advance for all premium purchases, and the "emergency" must be proven before authorization.



Even if the packaging problem seems too big to handle, it's worth your while to check with a Bostitch Economy Man for suggestions.

One did help work out a giant corrugated carton for a line of boats. Packing time was reduced 50%. Out of 3000 shipments, 2998 arrived at their destination completely safe. Two had minor mars. With wooden crates, damage in transit was a common headache for the company and its dealers.

Whatever you pack or ship, the Bostitch Economy Man can probably help you. Working with a wide variety of Bostitch staplers and staples—and with the world's largest fund of stapling experience at his disposal—he'll come up with a time and money saving answer if anyone can.

If you have shipping room problems, ask your Bostitch Economy Man to look them over. He's listed under "Bostitch" in the telephone directory. Call him.

* With every Bostitch machine you get... *
* assurance of the right combination for your needs from *
* 800 staplers and over 200 staples... an extra margin of *
* quality... nation-wide parts, service and technical aid *
*... dependable supply from the industry's most modern *
* factory... and we stand behind every Bostitch machine, *
* making sure it operates to your complete satisfaction. *

Fasten it better and faster with

BOSTITCH
STAPLERS AND STAPLES

570 BRIGGS DRIVE, EAST GREENWICH, RHODE ISLAND

Meetings You May Want to Attend

First Listing

Southwest Heating and Air Conditioning Exposition—Memorial Auditorium, Dallas, Jan. 1-4.

11th Plant Maintenance & Engineering Show and Conference—Convention Hall, Philadelphia, Jan. 25-28.

Illinois Petroleum Marketers Association—Products and Equipment Show, Morrison Hotel, Chicago, March 8-9.

Previously Listed

OCTOBER

National Business Show — Coliseum, New York, Oct. 19-23.

American Standards Association—10th National Conference on Standards, Sheraton-Cadillac Hotel, Detroit, Oct. 20-22.

Annual National Safety Congress and Exposition—Conrad Hilton, Congress, Morrison and LaSalle Hotels, Chicago, Oct. 20-24.

National Association of Purchasing Agents, 6th District—Conference, Dayton, Oct. 29-31.

NOVEMBER

Air Conditioning and Refrigeration Institute — Exposition, Convention Hall, Atlantic City, N. J., Nov. 2-5.

List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of *Purchasing Week* to their meetings are welcome to use this column. The gathering should be one of interest to purchasing agents. There is no charge.

Send announcements to: Meetings Calendar, Purchasing Week, 330 West 42nd Street, New York 36, N. Y.

Pittsburgh Plate Glass Ahead on Plant Erection

Shelby, N. C. — Pittsburgh Plate Glass Co. will complete construction of its 16-furnace plant here six months ahead of schedule and, because of heavy customer demands, will begin immediate work on expansion to 24 furnaces.

The plant now has 12 furnaces in production, within 60 days, it will reach the 16-furnace stage and an annual total rated capacity of 25 million lb. of textile glass.

With expansion to 24 furnaces, scheduled for completion in a year, total rated capacity will jump to 40 million lb. annually, according to company officials.

Alcoa Plans To Construct Campus-Type Laboratory

Pittsburgh — Aluminum Company of America has announced plans for construction of a \$30-million "community of laboratories, development facilities, and administrative and recreational installations."

It will be a campus-type center with five or six major structures contemplated in the first stage of development.

Ground for the first installations will be broken within a year on a 2,400-acre tract of land at Merwin, Pa., 28 miles east of here. Transfer of various Alcoa divisions to the new site is expected to begin in 1961.

American Society for Metals—National Metal Exposition and Congress, International Amphitheatre, Chicago, Nov. 2-6.

Packaging Association of Canada—8th National Packaging Exposition, Automotive Building, Canadian National Exhibition Grounds, Toronto, Nov. 3-5.

National Electrical Contractors Association — Annual Convention and 5th National Electrical Exposition, Fontainebleau, Eden Roc, Deauville, and Carrillon Hotels, Miami Beach, Fla., Nov. 9-12.

Milwaukee Association of Purchasing Agents—1959 Products Show, Milwaukee Auditorium, Milwaukee, Nov. 10-12.

National Retail Lumber Dealers Association—6th Annual Building Products Exposition, Cleveland, Nov. 14-17.

International Automation Exposition and Congress — Trade Show Building, New York, Nov. 16-20.

Catholic Hospital Association of the United States and Canada—Advance Institute on Hospital Purchasing, Melbourne Hotel, St. Louis, Mo., Nov. 16-20.

Electrical League of Western Pennsylvania—Industrial Electric Exposition, Penn-Sheraton Hotel, Pittsburgh, Nov. 17-19.

National Association of State Purchasing Officials—14th Annual Meeting, Riviera Hotel, Las Vegas, Nov. 17-20.

Packaging Machinery Manufacturers Institute—Show, Coliseum, New York, Nov. 17-20.

Chemical Industries Exposition — Coliseum, New York, Nov. 30-Dec. 4.

DECEMBER

Catholic Hospital Association of the United States and Canada—Introductory Course in Hospital Purchasing, Hotel George Washington, Jacksonville, Fla., Dec. 7-11.

1960

JANUARY

Purchasing Agents' Association of Florida—6th Annual Buyer-Seller Meeting, Mayflower Hotel, Jacksonville, Fla., Jan. 14-16.

APRIL

Purchasing Agents Association of Indianapolis—Indiana Industrial Show, Manufacturers Building, State Fair Grounds, Indianapolis, April 6-8.

MAY

National Association of Purchasing Agents—45th Annual Convention and Informa-Show, Biltmore Hotel, Los Angeles, May 22-25.

JUNE

Canadian Association of Purchasing Agents—35th Annual Conference, Sheraton-Cadillac Hotel, Detroit, June 2-3.

Experience—the added alloy in Allegheny Stainless



880 Allegheny Ludlum specialists provide service in depth

380 Research and Development men
200 Customer Service men
300 Quality Control men
880 specialists

... far more than any other specialty steel producer and ready to help you on any special metal problem.

And remember this: Allegheny Ludlum is the only producer of stainless in all commercial forms in every grade and size. A-L also specializes in: steels and alloys for the electrical and electronics industries; carbides; tool and die steels;

super-alloys for aircraft and missiles, and special exotic metals such as zirconium, molybdenum and beryllium.

Call your Allegheny Ludlum salesman soon. Let him put the right specialists from his 880 engineers and service people to work solving your problem... whether it be for something new, special and different or your steady running requirements for top quality stainless, tool or electrical steels. Take advantage of all this experience. Call today. **Allegheny Ludlum Steel Corporation, Oliver Building, Pittsburgh 22, Pennsylvania.**

WSW 7441

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for warehouse delivery of Allegheny Stainless, call RYERSON

Export distribution: AIRCO INTERNATIONAL

EVERY FORM OF STAINLESS... EVERY HELP IN USING IT



In the World of Sales

Robert H. Beisswenger has been advanced from general sales manager to vice president and sales manager for the **Whitney Blake Co.**, New Haven, Conn.

R. Andrew Phillips has been appointed sales manager of **Trans Electronics, Inc.**, of Canoga Park, Calif., a subsidiary of **Burton Mfg. Co.** of Santa Monica.

A. C. Tribe has been named general sales manager by **Technology Instrument Corp.** of Calif.

Paul S. Tribble, formerly southern division manager, has been assigned the new post of general sales manager for **International Salt Co.**, Scranton, Pa.

Loren B. Clay has been promoted from district sales manager to sales manager, **Joseph T. Ryerson & Son, Inc.**, Houston.

Edwin R. Wisner has been made manager of military products sales, **Railway Division**, a new post, at the **Budd Co.**, Philadelphia.

Victor See has moved up from chief applications engineer to sales manager at **Mechatrol**, a division of **Servomechanisms, Inc.**, Westbury, N. Y.

Paul S. Rogell has joined the **Electron Tube Department**, **CBS Laboratories**, Stamford, Conn., a division of **Columbia Broadcasting System Inc.**, as sales manager. He had been with **Westinghouse Electronic Tube Division**, Elmira.

Kenneth W. Mills, formerly a sales engineer, has been advanced to sales manager of **Waugh Engineering Co.**, Van Nuys, Calif.

Robert E. Briggs has been promoted to vice president in charge of sales for **Processes Research, Inc.**, Cincinnati.

John F. Hines has been made sales manager, **Cutting Tool Division**, **Brown & Sharpe Mfg. Co.**, Providence, R. I. He had been in **Plymouth, England**, as foreign sales manager for the firm.

J. R. McGowen has been named director of commercial sales, **Douglas Aircraft Co.**, Santa Monica, Calif. He also will continue as coordinator of the **DC-8** program. McGowen succeeds **Nat Paschall** who resigned due to the pressure of personal business affairs. Paschall continues in a consulting capacity as an advisor to the president on commercial aircraft sales matters and also as a member of the board of directors.

Harry D. Stone has been appointed manager, sales and marketing, **Metals Division**, **Kelsey-Hayes Co.**, New Hartford, N. Y.

Richard Fritz, formerly mid-west regional manager of **Midland-Ross Corp.**, Owosso Division, has been advanced to sales manager, Canada, and will headquarter in Toronto.

Joseph W. Stehn has been made director of military sales by the **W. L. Maxson Corp.**, New York.

Fred Benjamin has joined the **Industrial Division**, **Christie Electric Corp.**, Los Angeles, as sales manager. He had been director of research and development at **American Electronics**, Los Angeles.

Five new sales engineers have been appointed to the staff of **General Transistor Corp.**, Jamaica, N. Y. They are **Theodore Finger**, **Robert Johnson**, **Howard**

Peaceman, **Bernard Stein** and **Joseph Wright, Jr.**

Robert Cushman has been promoted to general sales manager of **Norton Co.'s Abrasive Division**, Worcester, Mass. **W. Alex McCune** succeeds him as sales manager of grinding wheels. **Harlan T. Pierpont** has been made sales manager of abrasives, succeeding **George A. Park** who retired Oct. 1 after a Norton

career of 50 years. **William A. Russell**, formerly Detroit district manager, returns to Worcester to assume McCune's former post as manager of field sales, grinding wheels. **David H. Paul**, who was an abrasive engineer in the Baltimore area, has been named district manager at the Detroit office.

A. C. Broholm has been made assistant manager of sales for **Republic Steel Corp.'s Wire Division**, Chicago.

Richard E. Salisbury heads a newly created division as manager of merchant bar sales for the **Calumet Steel Division of Borg-Warner Corp.**, Chicago.

Robert B. Walter has been appointed sales engineer by the **Barden Corp.**, operating out of the Los Angeles office of the company.

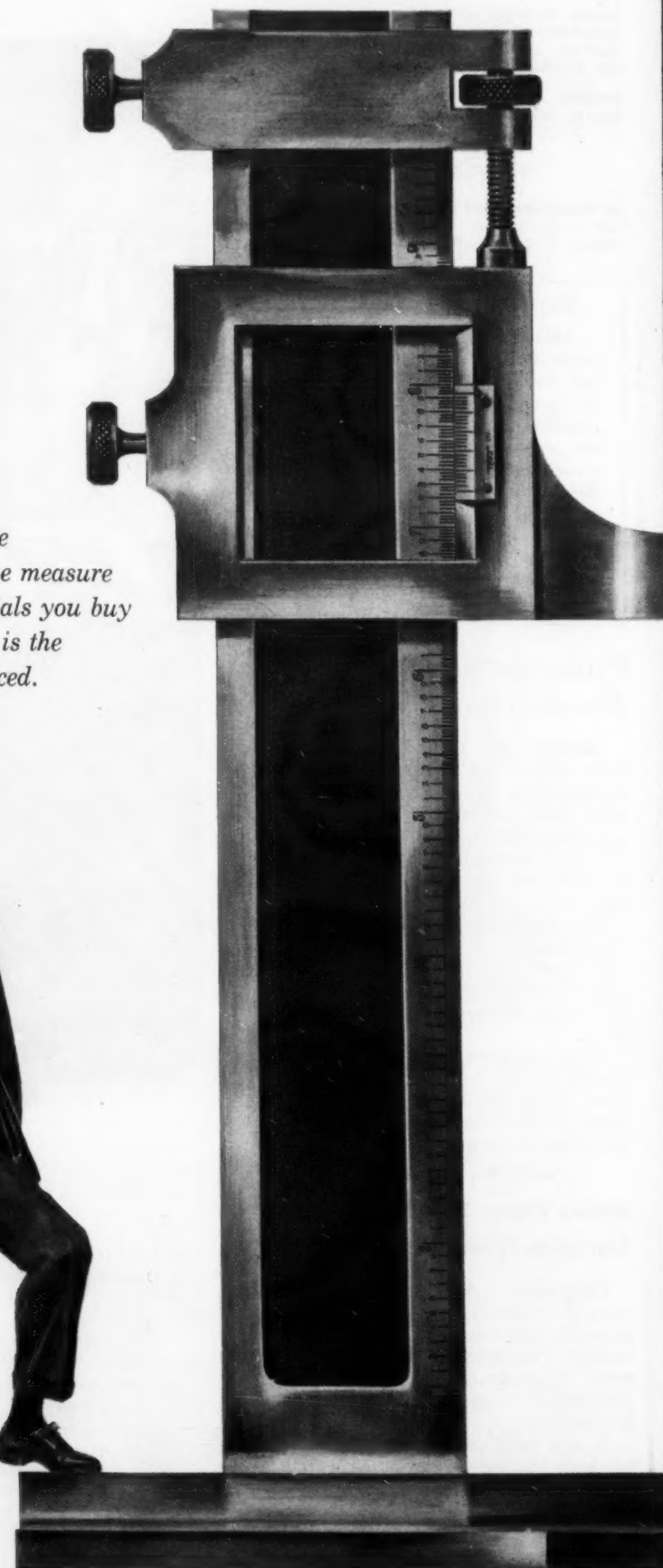
Alan E. Aune has been advanced to sales manager of the **Omaton Division of Burndy Corp.**, Norwalk, Conn.

Charles F. Milvo has been named sales representative for **Stanley-Judd** of **Wallingford, Conn.**, a division of the **Stanley Works**.

Edward Rauh has been appointed sales representative of the **Colton Chemical Co.**, Cleveland, a division of **Air Reduction, Inc.**

The Norton Measure of Value . . . the true measure of savings on materials you buy for your production is the cost-per-piece produced.

Call your Norton Man — he has the experience, the products, and knows how to save you money where it counts. There's a Norton expert in the fields of — abrasives . . . grinding machines . . . refractories.



Air Express Soups Up Its Service

Los Angeles—An accelerated Air Express service went into operation last week between Hawaii and the West Coast, aimed at keeping pace with the increasing flow of goods.

Five West Coast gateways—Portland, Ore., Seattle and Tacoma, Wash., Los Angeles and San Francisco, Calif.—began expediting air express shipments between Hawaii and the mainland.

The Air Express Division of Railway Express said that along with these new service links, the accelerated schedule also pro-

vides single through rates between Honolulu and all air express offices here for the first time.

Simultaneously, the minimum charge per shipment for cities beyond the gateways was reduced 16.7% from \$6.00 to \$5.00. The uniform minimum charge to and from the West Coast gateway cities is \$3.50 per shipment.

Northwest Orient Airlines will continue to service Portland and Seattle-Tacoma while United Air Lines will handle the new segments to and from Hawaii via Los Angeles and San Francisco.

U. S. Industrial Chemical Plans Increased Output Of 'Petrothene' Plastics

New York—U. S. Industrial Chemicals Co., division of National Distillers & Chemical Corp., has announced plans to increase annual production capacity of "Petrothene" polyethylene resins by 50 million lb.

The expansion, scheduled for completion at the company's Houston plant in mid-1960, will raise total U.S.I. production to 300 million lb. a year, making it the world's second largest polyethylene producer.

This Changing Profession . . .

Donald B. Brown has been appointed purchasing agent at the **R. J. Strassenburgh Co.**, Rochester, N. Y. He had been a buyer in the purchasing department of the University of Rochester.

J. D. Wright, formerly general purchasing agent of **Canadian Industries, Ltd.**, Montreal, has been made general manager of the chemicals division of the company.

Raymond C. Chenoweth has been named purchasing agent for the **Ohio Division, Associated**

Spring Corp., Dayton. He moves to this position following three years' service as product estimator.

Thomas S. Rees has joined **Kennecott Copper Corp.** as purchasing agent of the **Utah Copper Division**, Salt Lake City. Prior to joining Kennecott, he was manager of plant purchases, **M. W. Kellogg Co.**, Jersey City, and was also purchasing agent for **Continental Can Co.** in Chicago and Seattle. **W. K. Field**, Kennecott's New York purchasing agent, had been acting purchasing agent pending this appointment.

William L. Reid has been promoted to the post of purchasing agent of the **Colorado Fuel & Iron Corp.**, Denver. **Lloyd H. Lett** has been named assistant purchasing agent.

Louis F. Lucci has been appointed to the newly created post of assistant purchasing agent for **Republic Electronics Industries Corp.**, Farmingdale, N. Y. He was formerly with **Airborne Instrument Laboratories** and **The W. L. Maxon Co.**



OTTO SCHOEFFLER has been made purchasing agent of **Viking Air Products**, Cleveland. Starting 11 years ago as an assistant in the purchasing department, he served as production control supervisor since 1952.

Obituaries

J. Paul Stradley, 56, purchasing agent for the **Krebs Pigment plant** of the **Du Pont Co.**, died Oct. 6 in **Wilmington, Del.**

Forrest Sam Perkins, 63, purchasing agent for **Babcock & Wilcox Co.** died Sept. 30 in **Milwaukee**. With the firm for 30 years, he had been in charge of the purchasing department since 1948. Mr. Perkins was a past president of the **Milwaukee Association of Purchasing Agents**.

Bellows Co. Purchases Electronic Control Firm

Akron, Ohio—**Bellows Co.**, Division of **International Basic Economy Corp.**, has purchased **Jackson Electronic and Mfg. Co.** of Akron.

Jackson Electronics does research, development, and production of industrial control systems, electronic assemblies and sub-assemblies for use in manufacturing industrial products, and also makes electronic test equipment for the aviation and missile fields.

Bellows manufactures pneumatic and hydraulic control systems for industrial automation.

You can't recognize a value by its price alone. This is true of all types of grinding wheels and has special significance in diamond wheels in view of their high initial cost.

The price tag on a diamond grinding wheel may appear to be a good "buy," but the real consideration should be what will you get for your money?

Less expensive diamond grinding wheels than Norton wheels may save you money on immediate cost. But if the lower cost wheels do not perform their jobs efficiently or cause production delays because of poor quality or wheel misapplication — the price you paid is too much.

The only accurate measure of the value of any grinding wheel is how much it produces for you per dollar cost — not merely how much you paid for it. Here is why Norton diamond grinding wheels are worth more to you —

Norton Company introduced all three diamond wheel bond types, does all its own sizing and checking of diamonds — duplicating wheel specification with constant accuracy. Norton certifies the carat content, assuring full value for your money. Whether the diamonds you use in carbide grinding are mined or man-made, Norton gives you the most advanced research engineering and manufacturing facilities in the entire abrasive field. And you get this great scope of detailed knowledge on a personal basis — your Norton Man.

Your Norton Man starts his career by spending a minimum of one year in a carefully planned training course in the Norton plant and a comparable period of training in the field. The Norton Man has an average of 15 years' abrasive experience in addition to the specialized training. He is the most knowledgeable man in abrasives that you can consult. Make him your consulting abrasive engineer.

Ask him to make an Abrasive Requirement Study for you. This study lists the correct specifications for each abrasive job in your plant to assure you lowest cost-per-piece produced. He is also available for complete field testing on specific problems. For example —

Your Norton Man can increase production by pointing out ways for more effective wheel usage. He has the widest selection of grinding wheels in the industry from which to select the best wheel for new product grinding operations and for improving your current grinding jobs — both at the lowest cost. And with Norton grinding wheels you can be sure of precise duplication order after order.

Norton offers true abrasive economy. Economy that pays off in lower cost-per-piece produced. Call your Norton Man. **NORTON COMPANY**, General Offices, Worcester 6, Massachusetts. Plants and distributors around the world.

W-1917



**Making better products . . .
to make your products better**

You can
produce
greater
savings
than you
can buy

Here's What 6 Experts See Coming in the



"PURCHASING is interested in getting the most value for each dollar and each penny the company spends. Therefore, the purchasing agent is interested in new developments, new materials, and new methods.

"The sales representative should be trained so that when a new product is developed, he does not come into the purchasing department, put a fine brochure on the desk and say, 'Here it is.' When you ask for questions, you find you have to call on the main office for help. Sometimes you wait two weeks. That destroys the initiative of the purchasing man who is pressed for time.

"How you get this information to him is quite a problem. I am not certain right now as to how it can be done, but I believe, in the main, much of the literature is too lengthy and should be shortened. There's too much technical detail in the literature that reaches the purchasing man's desk.

"We in purchasing, for the most part, are a source of information. We certainly do not know all the answers, nor could we ever hope to know all the answers. So, we have to have the ability to find the answers for the technical people when they need it."



"STEEL is evolutionary rather than revolutionary. It is a very old material. It has been improved over a great many years, so the changes that come in any short period are not very radical. There are improvements in strength, in corrosion resistance, coatings to provide color or textured surfaces.

"These changes are designed to give the user a better material to enable him to achieve lower costs in fabrication and to manufacture a better end product.

"There are more spectacular developments in very high-strength and heat-resistant steels for aircraft uses, jet engines, missiles. However, they represent a small part of the total volume. And they are aimed at specialized uses as opposed to the very broad uses where steel finds its big market for the majority of its products.

"If a new design requires a steel with greater corrosion and strength resistance, or some other special property, then our laboratory attempts to develop a steel for that particular use—with the desired property added to all the others usually associated with that steel."



"ALUMINUM is not quite so evolutionary in its development as steel. It is a relatively younger industry, its youth is mainly in size rather than in usage. There are many basic uses such as high-transmission lines, utensils, or roofing. All have been in use for over a half century. But the real growth dates from World War II. So we have had a much more rapid growth in usage because of inroads into other markets.

"Aluminum fits in with some of the basic trends in our economy. For example, the whole growth of the economy fits in because aluminum has worldwide abundance of ore supply that is unmatched.

"Another big factor is that aluminum is turning out to be an economy metal, not just because the price per pound is relatively low, but because it makes it possible to save man hours. As wages rise, the savings made possible by displacement of traditional materials by aluminum increases.

"Another factor is the versatility of aluminum, finishes for instance. Enameled surfaces, porcelain surfaces, anodized surfaces, make possible a wide range of colors. It is also a material that can be worked by many of the new processes."

Round Table Discussion Centers on Metals, Plastics

New York—In steel: evolution, not revolution. Steadily better alloys. No major breakthroughs.

- **In aluminum:** A young industry with a versatile, economical material.
- **In copper:** An ancient metal hard at work finding new uses.
- **In plastics:** Still growing with new markets ahead through lower prices, better properties.

That is the way a group of materials experts view trends in their materials. The group expressed its views at a recent PURCHASING WEEK roundtable held to assess the impact of new materials on a fast-moving technology.

Several broad areas came under scrutiny—areas that affect the purchasing executive's material's buying practices. This is the gist:

How new materials come about: Improved materials generally result from an expressed need. On the other hand fundamental breakthroughs rarely result from a need for a new material. The producers know the properties of their materials; their problem is to make the consumer aware of how he can benefit from these properties.

Materials replacement: Materials no longer are substituted for. They are replaced. The material doing the replacing is in that position for one reason only: it can do the job better. Materials producers shy away from "substitute" business. It's temporary and they want permanent displacement.

Growing market for all: All materials are making more rapid progress than ever before in their histories—true some faster than others. But rate alone is not significant. You have to examine the changing market picture in the light of our present growing economy and booming technology. Both will make huge demands on all materials.

Why new materials meet resistance: New materials often mean new equipment and processing problems, new investments, and a new approach to product design and marketing. For many manufacturers these are difficult hurdles. Weighed against these hurdles, the industrial consumer finds, at least in his terms, uncertain benefits. The producers counter this reluctance with a tremendous amount of technical information, testing, and design help, all of which is free.

New products from new materials: Few commercial products are designed

ahead of available materials. But many defense products wait for the right material. Materials producers make a determined effort to stay abreast of materials needs. Each need gets little chance to develop. Each producer seizes the opportunity to suggest his particular material as the solution. Or he may tailor his material to the specific need, or help design the product with his material in mind.

Purchasing's interest: All purchasing is interested in new materials. They represent one way to get the most value. But purchasing needs help from the materials producers. More knowledgeable sales representatives and better literature would help.

Here's What the Experts Say . . .

How A New Material Is Born

Cohn: What prompts development of a new material? Just how does a new material come about?

Veltfort: I would say there are a number of factors, some of them purely accidental. On the other hand, some materials are made to order. There are certain requirements and the producers work hard through research to meet the requirements.

Estes: Improvements in existing materials are more likely to come about as a result of research to meet specific needs. Brand new materials are more likely to come from the other direction, either by accident or as a result of basic research.

Plumb: The major new materials usually come about through a scientific discovery of some kind or other, way back in the fundamental stage, the merits of which were recognized. Developments of the material and of its uses usually proceed from there.

It is extremely rare that a major fundamental breakthrough comes from someone saying there is a particular need in industry, and I am going to start in the most fundamental way and build up to a new material.

The improvement of materials almost invariably comes from a well-recognized specific need. Specific improvements are made as you go along.

Lipkowitz: In the case of aluminum,

World of New Materials and Processes



"COPPER because it is centuries old, faces the difficulty that users, or potential users, feel that they know all there is to be known about it.

"Sometimes it is difficult to make them realize that even with an old metal like copper, and its many alloys, adjustments can be made that completely change the economics of its use.

"Traditionally, copper and its alloys have been used where new developments require its many characteristics, like high conductivity for heat and electricity, easy workability, color. Then, as the product became established and the question of economy came in, replacements for copper were made on the basis of over-all studies. The replacement might not have been of the same quality, but the overall economy was there and it seemed worthwhile.

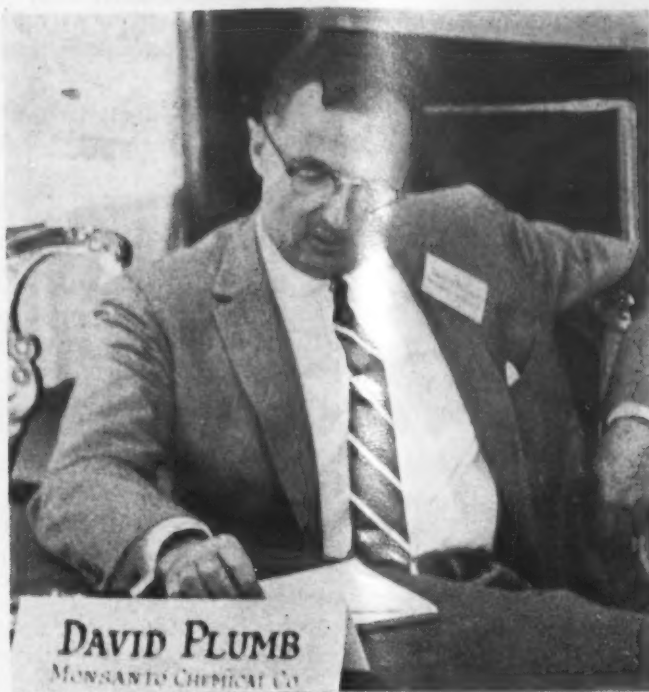
"So we are constantly up against a situation where replacements have been made and we have had to work harder to get new uses.

"We are very optimistic about the use of copper and its alloys because of their remarkable characteristics in new developments where frequently, because of the need of small volume, as in miniaturization and adaptations of that kind, the remarkable conductivity of copper is very important.

"The industry is constantly working to improve the characteristics of the various alloys. We are working on making greater weights available for coils and things of that kind, to make processing more economical. We are working very hard on better packaging. It is characteristic of copper that the metal has found uses where, taking the old point of view of value and appearance, you would never expect it to go. An example would be plumbing.

"Not only is it used for water lines, but also recently there has been a very rapid development in soil and waste lines. When you see a building with copper waste lines, you think it is almost unbelievable that such a beautiful material should be used. But actually it works out, because a product has been developed that serves that purpose economically.

"The industry is, in general, working along those lines, realizing that it constantly has to find new uses, and more adaptations of its materials."



"PLASTICS industry is about 80 years old and, like aluminum, it dates from the end of the Second World War as a large-volume industry. Its growth has not slowed down. As a matter of fact, the growth in total poundage, I believe, is running faster than ever. The rate of innovation of new products into the plastics industry has not slowed down, either.

"In the last five years, for example, there have been some major breakthroughs in technology that have made possible the creation of an entirely new family of plastics materials, based on the so-called ordered polymerization. There's the recent announcement by one plastics producer of the development of a new plastic that has an objective of entering into markets now served by zinc die castings. The evolution during the last few years of foam products, which not only provided an entirely new set of products, but for the first time bring the costs of plastic materials in place down to levels that compete with other materials. In one case, down almost to the level of paper.

"There are two trends in the plastics materials field. Along with a greatly increased output of some of the work horses of the industry in recent years, costs have tended downward very far and very rapidly. As a result, plastics materials are now able to enter into markets which a few years ago were closed to them by economic pressures. The second part of the trend is the tremendous improvement in properties that have developed in recent years.

"The major trend in properties is the work that is going on all the time toward improved heat, fire, and weathering resistance. They have been the three major drawbacks for some of the large uses of plastics, and there is real progress being made.

"An example might be the change in retail marketing that has been made possible by the development of polyethylene packaging film, which was not available up until about ten years ago.

"Most of the markets for plastics are markets that have been created by the availability of a new type of material. This probably will not remain the case. Keeping in mind better properties and lower costs, more and more, plastics represent a threat to markets for other materials."



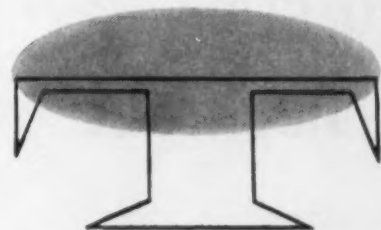
"SUMMING UP I agree thoroughly on steel, that it is improvements rather than new materials today, but I think this high-temperature corrosion resistance is more important to the technical man than appears on the surface. It is true that getting pure metals is an improvement, but it is very important.

"On aluminum, the broadening of the base usage is going to continue—probably the present percentage as compared to steel is very low. But that broadening is going to continue. It is taking a new turn into construction, and not just because of lightness of weight.

"In plastics, it is true that new markets have been created, but there are new avenues opening up in the next few years in plastics. Crystalline plastics, for example, will bring opportunities for heat resistance perhaps up to 750 F or more.

"Copper is a specialty metal. In world consumption it measures a couple of million tons against 200-million tons of steel. If it hadn't been for plastics, and aluminum, and everything, there just wouldn't have been enough copper in the world to take care of the demand. So the copper industry doesn't have to worry about the market. It has to worry about using all the copper that is available in the right place."

Purchasing Week



ROUND TABLE

Participants

D. T. Keliher
Director of Purchases
U. S. Metals Refining Co.

Irving Lipkowitz
Director of Economic Affairs
Reynolds Metals Co.

B. E. Estes
Vice President Marketing
United States Steel Corp.

T. E. Veltfort
Managing Director
Copper & Brass Research Assn.

David S. Plumb
Director of Development
Monsanto Chemical Co.

George S. Brady
Materials Consultant

Moderator

Joseph A. Cohn
Products Editor
Purchasing Week

what really has happened is that the aluminum industry found out what the properties of its metal were, and then sought out potential consumers where it could provide the better value the purchasing agent and engineer are looking for. Better value can take one of many forms, either better performance or lower cost.

In that sense, the aluminum industry doesn't wait for a crying need to come along. Instead, it tries to make the industrial consumer aware of where and how aluminum can do a better job than some other material in certain applications.

We are working concurrently not only with the purchasing agent, but with engineers, with stylists, with design people. It becomes a two-way street. It would be difficult for anyone to decide who ac-

tually created a new aluminum part in say, an automotive application, because you get so entangled with origins, that chickens and eggs really become all mixed up.

Cohn: With steel I suspect it is somewhat different. Steel, because of its long traditions, may approach this product of materials development slightly differently.

Estes: Perhaps to a degree, although I think in many ways we are talking about the same thing. If a design requires a new steel we try to develop it. In many cases, a request comes from a customer.

Having developed that property in response to one use, we naturally would like every other industry to begin to find

(Continued on page 30)

... Customers are generally screaming



"WHAT DO YOU THINK are the main trends in materials?" P.W. editor-moderator Joe Cohn asks a panel of six experts at recent roundtable in N. Y. McGraw-Hill building.

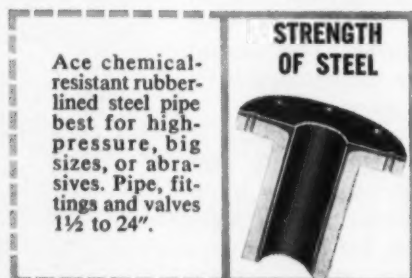
Life in these excited states...

"I think I've found the leak, chief!"

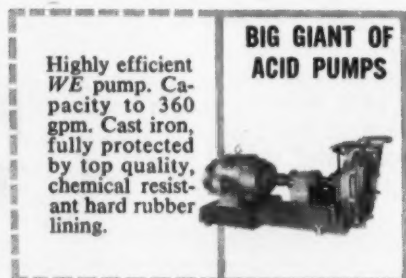


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Good equipment costs so little more, it pays to stick your neck out and ask for it. If the boss is cost conscious you'll get it. He too knows the dollars lost by corrosion and contamination. You're always safe when you specify Ace piping, valves, pumps and tanks.



Ace chemical-resistant rubber-lined steel pipe best for high-pressure, big sizes, or abrasives. Pipe, fittings and valves 1½ to 24".

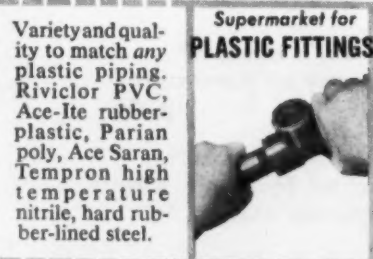


Highly efficient WE pump. Capacity to 360 gpm. Cast iron, fully protected by top quality, chemical resistant hard rubber lining.



Design assistance and facilities for molding special fittings, pump parts, etc., of plastics or hard rubber. Also large hand-fabricating facilities.

CUSTOM MOLDED OR HAND BUILT?



Variety and quality to match any plastic piping. Riviclor PVC, Ace-Ite rubber-plastic, Parian poly, Ace Saran, Tempron high temperature nitrile, hard rubber-lined steel.



ACE

processing equipment of rubber and plastics

AMERICAN HARD RUBBER COMPANY
DIVISION OF AMERACE CORPORATION
Ace Road • Butler, New Jersey



(Continued from page 29)

ways where that particular steel will find some other use.

Keliher: I believe the great development of refractories for steel production did not come from the refractory people. Research was done by the steel companies, themselves.

Brady: That has been true in all the industries. Some get Government money to help them do basic research. Some new materials might not have been available to consumers for years, if the Government had not quickened research.

Materials Replacement

Cohn: There's perhaps an unhappy connotation to the word "substitution." It implies that the substitute is inferior and only temporary. In some cases, this may be true. Is there really such a thing as materials substitution? Or does it merely boil down to the industrial consumer taking advantage of a superior material?

Velfort: I don't think it is a question of substitution. An analysis is made to find the material that does the best job.

Quality may not be the essential factor. The decision is based on a number of factors, but once the material is chosen, as long as it serves satisfactorily, it will be used.

Lipkowitz: The only advantage a materials producer has in getting substitution business is the opportunity he has of giving a consumer a sample of what his material can do.

Unless he has a better material, it is against his interest either to seek or even to cooperate in providing what is purely substitute material. What the materials producers are all trying to do is get permanent displacement.

Cohn: Some of the traditional materials consumers are now going into basic research on materials. Does this trend have any effect on the basic materials producers, or is this just part of a growing economy, a wider-ranging technology?

Estes: I believe it means one more way to foster development, particularly in a very specialized material or a very specialized application.

Lipkowitz: But obviously it is part of our free economy that every producer has the right, where it is advantageous, to integrate forward. The consumer, perhaps for cost reasons, may decide against buying a material if it would be better for him to make it himself.

Velfort: Once the material is established, it generally becomes available to the rest of the industry, first to supply the manufacturer who needs it; later it becomes available to others, either by licensing or other arrangements.

Plumb: The younger, more aggressive industries seem to be willing to do the basic research, and are not requiring that the users do it.

Take in ceramics. Research is not being done by the manufacturers themselves, but somebody has to do it. Perhaps this is a lesson for the older materials people to consider.

A Growing Market for All Materials

Cohn: Some materials appear to be

losing market positions to other materials. Take steel, for instance, it appears to be losing ground to materials like plastics and aluminum. Yet steel's per capita consumption steadily increases. Does this indicate a rearrangement of markets rather than a loss of markets?

Estes: The other fellow's gain is not necessarily your loss, and I think that the future for us all is in the growth of the economy, the raising of the standard of living made possible by all materials, better materials, and combinations of materials.

I often have tried to imagine what steel's consumption today would be if there never had been any such thing as aluminum. How fast would the aircraft industry have developed?

This would have been a different world without aluminum, without plastics. Would there have been more steel? I think there would have been less steel, less everything, probably less of us.

So it is relatively unrealistic many times to try to say what has been the loss. The real truth has been the gain of the whole economy and the materials within that economy.

Velfort: That is exactly our position.

Lipkowitz: There's a market for, say, aluminum wedged to other materials. It isn't a question of the class struggle within a fixed market. There is the whole question of growth, and closely related to it is inter-industry competition which more and more serves the public interest. It may well serve the public interest to a greater extent than does intra-industry competition which our classical economics teaches us is the competition which protects the public interest.

I think the consumer is getting better value because materials are fighting each other for his dollar, than he can get by just having companies within an industry fight for the dollar that already is committed to that particular material.

Plumb: The plastics industry would certainly echo this philosophy. There are very few cases of plastics having displaced non-plastics materials. Most of the new plastics have created an entirely new market. The concept of wedding with other materials is an extremely important facet of the growth of plastics materials. By combining plastics and paper or plastics with steel, you open up new areas that were not open before.

Why There's Resistance To New Materials

Cohn: Despite the wealth of information and resources made available to industrial consumers, there still appears to be some reluctance on the part of a consumer to switch from one material to another. Why is this so?

Estes: There are many reasons. The consumer and his organization are familiar with handling one material. A new material introduces new problems.

Machinery and equipment processing methods may work for one material, but not for another. He knows what the old material will do in use. He is making guarantees based on one material. With a new one he has to develop new experience. He has to take certain risks that he didn't before. These are all things that any new material must overcome.

At the same time, a new material may have certain advantages. The use of a new material makes a user look progressive.

Plumb: We have very little problem in

'What do you have that is new?'

that regard. Fabricators of plastics who are our customers are generally screaming, "What do you have that is new?"

Velfort: The building field offers still another array of resistances: the resistance of local building officials who don't like to try new materials, and the resistance of organized labor frequently.

Sometimes you have the resistance of established industries in that particular community who don't like to see a material made by another industry come on the scene.

Keliher: I think there is a natural reluctance to change what we all have. Take the case of lubricants. There are many developments in lubricants, but it takes time to go through them all and then to convince the people that ultimately use them that we ought to give them a try. You have to take the ball, if you are a good management man, and then you have to sell the idea to the people involved. That is the thing we forget.

New Products From New Materials

Cohn: New materials have a positive influence on product design. Sometimes new products are created to take advantage of a certain material's property. Sometimes the product is only on paper waiting for the right material.

Velfort: One example is welding two metal sheets together, leaving space which could be blown up into tube or other shapes. It is a product made possible only because of the nature of the materials used. All kinds of needs are being found for it.

Another development of that kind goes still further, in which tube is made in the form of two strips welded together at the edges. It subsequently can be inflated to form a tube. Nobody knows today where it will be useful, but undoubtedly it will be, and the company making it is going out and finding uses for the tube.

Lipkowitz: The first development Ted Velfort mentioned took place initially as a result of an effort to cut costs in the refrigeration industry. Most household refrigerators today are using aluminum tubed sheet of this type to conduct the refrigerant through the cooling unit. But once that market was established, the use of that unit as a heat exchanger unit was available for many, many other fields. It can go into all types of panels where you want to transfer heat rapidly and efficiently.

Cohn: In this particular case, the material came first and then applications for it. The military is most active in demanding new materials for certain applications. On the other hand, you don't see much of a demand in this respect from non-defense industries.

Lipkowitz: One example where a civilian industry has created a need is in connection with the

aluminum engine. One problem in using aluminum was a wearing surface which would stand up. Consequently, new alloys were developed making today's aluminum engine a designing possibility.

Wherever there is a commercial need, the materials industry, sensing it, does not wait for the need to develop. It sees a possibility and comes in and says, "Here is something that will do your job better." That is the way you get this constant evolution in the use and displacement of one

material by another. In civilian industry, the materials producer has a very real incentive to be sensitive to these needs and responds very quickly.

Velfort: Many of these civilian needs are not spectacular at all. You meet them and solve them in every-day routine, and nobody makes a record of them—I think that accounts for the absence of any spectacular result along that line.

Plumb: In the consumer indus-

try, you don't design ahead of your available material, whereas in the military you do, and then go ahead and hunt for the material.

Keliher: In industry you couldn't get the money with such a system.

Plumb: Here is an interesting case in point: Both the light and heavy-duty detergents have been sold in glass bottles or metal cans for a few years, not very long. This year much of the liquid de-

tergent business is going into plastic bottles.

These factors are at work affecting the change: The value at the retail store is better because of the lighter weight of the plastic bottle and the elimination of corrosion, even though the bottle is more costly than a glass bottle or a metal can. And in the household a plastic bottle will not break or corrode, which has been a problem. Here a new material is made available to an already established need and solves a perplexing problem.



Prize winner! This beer box won a Silver Award at the Fifth Annual Fibre Box Competition.

People who want a quick beer choose this new pull-tab container by International Paper



Lift—pull—tear—and it's open! But that's only half the story.

The other half is the high-speed end-loading feature of this new corrugated beer container created by International Paper's Container Division. The judges at this year's Fifth Annual Fibre Box Competition liked it so much they gave it a Silver Award (one of ten awards won by International Paper).

The same design and manufacturing in-

genuity goes into every International Paper shipping container. And every container gives you these 7 extra values:

1. **First-class engineering.** Truly creative packaging by the same team that originated the tube-and-cap design, now standard in the industry, and many others.
2. **Time-proved boxmaking skill:** several hundred million containers annually.
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4. **Convenient delivery:** 19 strategically-located box plants. (Plants 20 and 21 are now under construction.)

5. **Virgin fibre** for greatest strength, smooth surface, uniform color.

6. **Fair prices** in line with top quality.

7. **A dependable source of supply.** The only containers backed by the full resources of International Paper.

See your Container Division packaging expert. He's a good man to know.

Container Division **INTERNATIONAL PAPER** New York 17, N. Y.

A.M.A. Group Will Dissect Distribution Costs

New York—Containerization, appraised as one of the biggest and most far-reaching developments ever to hit industry, will be put under a microscope this month at a special American Management Assn. conference on distribution costs.

A panel discussion by six experts on the subject will highlight the two-day meeting at Roosevelt Hotel here, Oct. 26-28. Heading the panel will be Morris Forgash, president of U. S. Freight Co., and a pioneer in the "piggyback" transport system. Other panel members will include:

L. E. Galaspie, director of traffic, Reynolds Metals Co.; Fred Muller, Jr., product manager, American Car & Foundry, Inc.; Thomas P. Nelligan, executive vice president, Albert Schwill & So.; R. W. Puder, supervisor

of materials handling, packaging, & distribution, E. I. du Pont de Nemours & Co., and John L. Weller, president of Seatrain Lines.

The group will discuss the latest developments in the search for standardized containers, what this will mean to the shipper, and the economies that can result from unitized shipping.

Another feature of the conference will be presentation of three case studies on new methods of reducing distribution costs by P. K. Shoemaker, vice presi-

dent of manufacturing, H. J. Heinz Co.

Another panel discussion will take an objective view of today's transportation modes—railroads, trucks, ships, and airlines—and explain what each carrier is trying to do to improve service and help shippers cut transportation costs.

Still another conference highlight will be a discussion by Edward Maney, director of traffic for International Business Machines Corp., on how to cut high warehousing costs.

Western Trucking Firms Merge; Serve 18 States

Los Angeles—Transcon Lines here and Garrett Freightlines, Inc. of Pocatello, Idaho, have jointly formed a new motor freight service, linking the Southeast with the Northwest and Rocky Mountain regions.

The two firms said the traffic interchange agreement provides improved two-line service to shippers in 18 states, reflecting the growing economic importance of those areas.

Albuquerque, New Mexico, will serve as the transfer point connecting the Transcon and

Garrett systems. The new service covers Florida, Alabama, Arkansas, Mississippi, Tennessee, Georgia, North Carolina, South Carolina, Kentucky, Virginia, West Virginia, Oregon, Washington, Montana, Utah, Idaho, Nevada, and Colorado.

Wood Firms Join Forces

San Francisco—J. H. Baxter & Co., and Walter L. Wyckoff are the new owners of West Coast Wood Preserving Co., Seattle, thus joining two leading West Coast producers of pressure-treated forest products. The new firm will be called Baxter-Wyckoff Co.

I.C.C. Completes Study Of Eastern Port Rates, Recommends Status Quo

Washington — The Interstate Commerce Commission, completing a three-year study of export-import freight traffic on the East Coast, recommends that existing rate differences among North Atlantic ports on this traffic not be disturbed.

A report by I.C.C. examiner Marion L. Boat said any reduction in the rail rates on this traffic to and from the more northerly ports to put them on an equal footing with the southern tier ports would result in diverting business to the Port of New York.

Ten major railroads serving New York, Albany, Boston, and Portland, Me. had proposed to reduce export-import rates between those ports and the central states to the level of rates that apply to Baltimore, Philadelphia, and the Hampton Roads area.

Santa Fe, Great Northern Buy New Piggyback Rigs

Chicago—Two major Midwest railroads are taking longer steps to keep pace with the rapid trend toward piggybacking.

The Atchison, Topeka, and Santa Fe Railway Co. has ordered 200 new G-85 piggyback flat cars for delivery early in 1960. The line also ordered 155 covered hopper cars for immediate delivery. Total cost runs over \$4.5-million.

The Great Northern Railway Co. is investing \$750,000 in 25 dual purpose flat cars and 50 trailers.

Van-Cargo International Announces New Service

San Francisco — Van-Cargo International has announced a door-to-door containerized shipment service between overseas points.

Customs clearance, documentation, and inventory certification are included in Van-Cargo's package service that is similar to that offered recently by Denver-Chicago Trucking Co. and other trucking firms. Merchandise travels in the same van from pick-up to delivery. The system is said to cut pilferage and breakage and costly export packing.



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HELPS YOU
KEEP PACE WITH
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New applications for aluminum... new alloys... new fabricating methods are constantly emerging. As a metals processor you want to keep abreast of the fast-breaking developments in this most versatile of metals. And your Olin Aluminum Distributor is uniquely qualified to help you do so—that's his business. Why not make him your service center for both ferrous and non-ferrous metals. Rely on him for—

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Government Examiner Upsets Hopes Of Railroads to Meet Seaway Rates

When Buying a Truck, Weigh Performance First

Washington — An Interstate Commerce Commission examiner has upset a move by Eastern railroads to cut import and export freight rates between New York, Albany, Boston, and Portland, Maine, and interior points. Seaway competition apparently motivated the original request.

In recommending that the full commission deny the lower rates, the I.C.C. examiner stated that the evidence refutes the claim by railroads that lower rates are

needed to compete with Southern port traffic. In fact, the examiner declared, such a reduction would result in "undue prejudice and disadvantage to Southern ports."

The Eastern railroads had sought I.C.C. approval to cut the export-import freight rates to the same level as those charged for shipments to and from Philadelphia, Baltimore, Norfolk, and Newport News. Generally, these ports charge around 3¢ per 100 lb. less for such shipments.

Chicago—In selecting a truck, don't allow consideration of too many specifications to obscure the true objective of the purchase. The big thing is the performance of the truck in relation to the job it has to do.

That was what General Motors fleet sales executive told the 15th annual meeting of the National Truck Leasing System.

W. E. Smith, assistant manager of the fleet sales department of Chevrolet Motors, stressed that fleet truck buyers must keep abreast of the many changes be-

ing made in the manufacture of trucks and related equipment if they are to do a good selective buying job. But at the same time, he said, the over-all purpose of the truck must be kept paramount.

"The most critical moment in a truck's life is when the final details of its selection are made," Smith explained. "A truck picked with a job in mind, and built for its work, means pre-solved problems."

Fleet sales officials emphasized that minute details of engi-

neering specifications must not be permitted to obscure five main points. These are:

What chassis answers your problem? What about dimensions, load distribution, and capacity? Performance potential? What ratio is right for the job? What type of engine to use?

Under the third point, (performance potential), Smith cautioned, "We know that the greater the number of load units we carry per mile, the lower the cost per unit will be. But the less time it requires to cover a mile does not necessarily lower the cost."

Discussing truck engines, W. D. Blizzard, executive of the Cummins Engine Co., Columbus, Ind., said new methods of building and mounting diesel engines plus design improvements that reduce maintenance cost have entirely changed the economics of diesel-operated trucks.

He said that a truck formerly had to run 60,000 to 80,000 extra miles a year to put the diesel into direct cost equilibrium with the gasoline motor. He said a break-even balance can now be achieved from 19,200 to 46,000 extra miles a year.

Maintenance Necessary

Blizzard pointed out that this comparison is necessary to the purchasing agent because diesels cost more to begin with but use less fuel. The truck buyer thus must make a long-range survey to decide on the economy of diesel vs. gasoline.

Maintenance, he said, is no longer a factor because design refinements, availability of improved technical guidance, availability of parts, and reduction in the number of parts required, have put costs in balance with gasoline motors. He said there is even a trend in favor of the diesel due to engine durability and improved techniques in their manufacture.

Looking into the future, the Cummins executive said many diesel users see an unlimited opportunity in light-load, short-haul transport service.

"I mean stop-and-go service, operating in cities," he said. "It is quite possible that advantages formerly available only to long-haul operators are now open to short-haul operators as well."

Uncle Sam Opens Gates To His Rubber Stockpile

Washington—General Services Administration is negotiating the sale of some 40,000-50,000 tons of natural rubber from its rotating stockpile. First public offering went up for bid Oct. 16.

G.S.A. officials will watch the market response and phase out the sale program in accordance with the agency's pledge not to disrupt normal commercial price levels.

The rubber to be sold is the quantity government experts say will deteriorate if not used this year. It is not part of the long-range 500,000-ton rubber stockpile disposal G.S.A. plans to unload over the next nine years, and on which congressional approval still is awaited.

Previously, the agency replaced disposed stocks with new purchases.

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LOS ANGELES 58
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Caulley Steel & Supply Co.
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ATLANTA
Atlantic Steel Co.
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BOSTON 10
Kelco Metal Products Co.
HUBbard 2-1737

WORCESTER
Kelco Metal Products Co.
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MICHIGAN
DETROIT 34
Production Steel Products Inc.
TW. 3-5000

MINNESOTA
MINNEAPOLIS 14
Keelor Steel, Inc.
FEDeral 4-3291

MISSOURI
NORTH KANSAS CITY
A. M. Castle & Co.
GRand 1-3666

NEW JERSEY
NEW BRUNSWICK
Morrison Steel Co.
CHarter 7-8400

NEW YORK
BUFFALO 17
Seneca Steel Service Inc.
Riverside 7920

NORTH CAROLINA
CHARLOTTE 1
Brass & Copper Supply Co. of Carolina
FRanklin 5-5508

OHIO
CLEVELAND 13
Midwest Aluminum Supply Corp.
PROspect 1-8240

CLEVELAND 5
The Universal Steel Co.
VULcan 3-4972

OKLAHOMA
OKLAHOMA CITY
McCormick Steel Co.
MEIrose 4-1492

PENNSYLVANIA
PITTSBURGH (McKEES ROCKS)
Follansbee Metals Co.
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CORPUS CHRISTI
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HOUSTON
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A. M. Castle & Co.
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L. A. Draper Metals, Inc.
ADams-7-3585

CALIFORNIA
LOS ANGELES 23
McGowan Co. Inc.
ANgeles 3-7575

OAKLAND 20
Globoloy Metals Inc.
Higate 4-7249

DELAWARE
WILMINGTON 99
North American Smelting Co.
OLympia 4-9901

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CHICAGO HEIGHTS
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MICHIGAN
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Fischer-Fixman Metal Co., Inc.
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BROOKLYN
Henning Brothers & Smith, Inc.
HYacinth 7-3470-1-2

OHIO
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(See listings under Mill Prod. Distr.)

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ATLANTA
Atlantic Steel Co.
TRinity 5-3441

ILLINOIS
CHICAGO 7
Kochton Plywood & Veneer Co.
TAYlor 9-0800

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Jones & Laughlin Steel Corp.
RAYmond 3-4581

SAN FRANCISCO 19
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ATwater 2-6920

COLORADO
DENVER 1
M. L. Foss, Inc.
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FLORIDA
FT. LAUDERDALE
Caulley Steel & Supply Co.
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CHICAGO 39
Guardian Aluminum Sales, Inc.
NATional 2-5808

CHICAGO 32
Lafayette Steel & Alum. Corp.
LAFayette 3-7632

LOUISIANA
NEW ORLEANS 9
Woodward Wight & Co. Ltd.
TUlane 2471

MARYLAND
BALTIMORE 11
Brass & Copper Supply Co. Inc.
BEImont 5-1500

BALTIMORE 24
A. M. Castle & Co.
DICKens 2-4000

ALIN
ALUMINUM



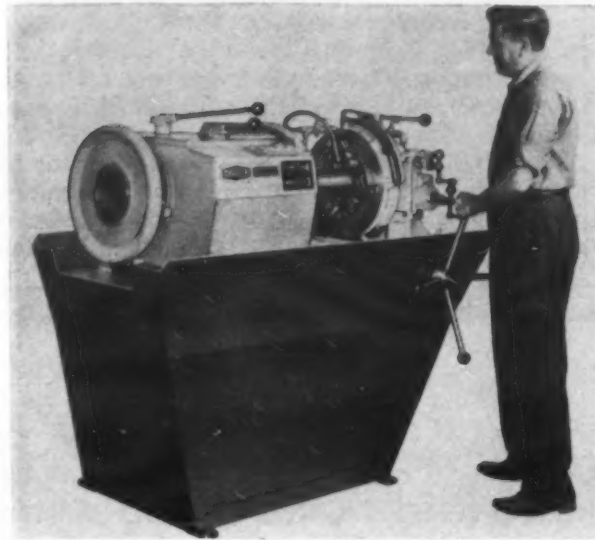
Potting Compound

Temperatures to 1,500 F.

High temperature electrical potting compound and adhesive designed for temperatures up to 1,500 F. Contents of plastic bag and jar of liquid are mixed prior to use. It is cured for 6 hr. at 180 F., will stick to metal, glass, and ceramics.

Price: \$3.90 lb. Delivery: immediate.

Orell, Inc., Box 527, South Gate, Calif. (P. W., 10/19/59)



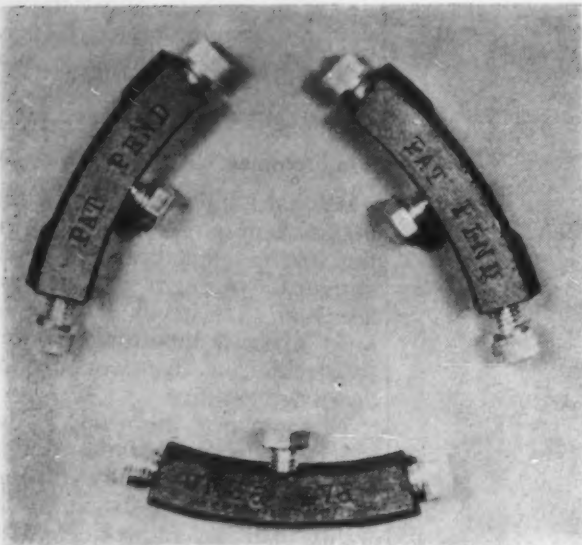
Pipe Threader

No Head Changing

Heavy-duty floor type pipe machine has standard range of 1 to 4 in. with extra range of 1/2 in. and 3/4 in. Quick-opening, lever-operated die heads cover the entire range and eliminate constant head changing. Machine has 4 spindle speeds driven by 5-hp. motor.

Price: \$3,375. Delivery: 1960.

Oster Mfg. Co., 1340 E. 289th St., Wickliffe, Ohio. (P.W., 10/19/59)



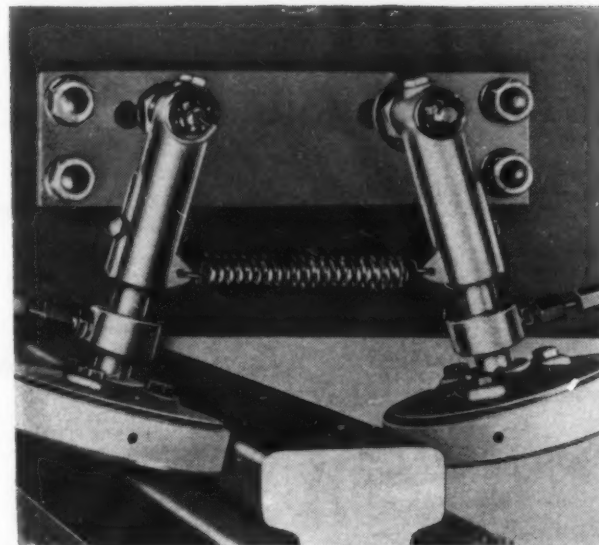
Balancing Weights

For Grinding Wheels

Set of 3 infinitely adjustable aluminum weights are used instead of traditional 4 solid brass weights. Grinding wheel can be balanced in minutes. The weights are adjustable by means of two balance screws which permit micrometer adjustment.

Price: \$5.85 set. Delivery: immediate.

Aero Supply Mfg. Co., Inc., Corry, Pa. (P.W. 10/19/59)



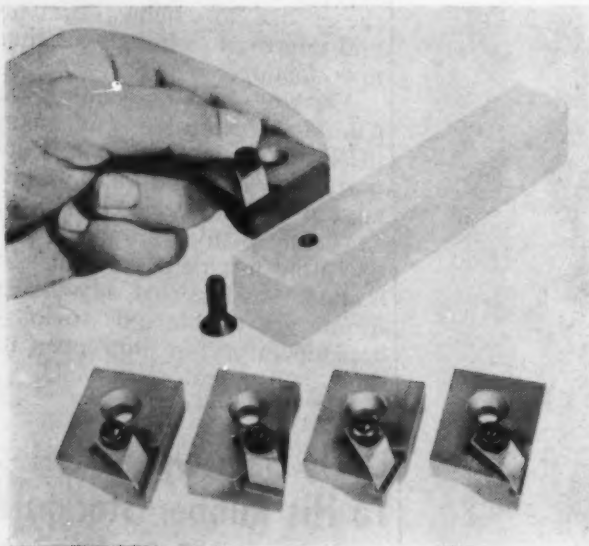
Lubricator

For Crane Rails

Crane rail lubrication system is designed to reduce wheel flange and crane rail wear. It can be used on any size rail or crane. It automatically applies a thin film of lubricant—usually 3-4 grams per hour of long travel movement. Available in single or double unit.

Price: \$399. Delivery: 6-8 wk.

Research Appliance Co., P. O. Box 307, Allison Park, Pa. (P.W., 10/19/59)



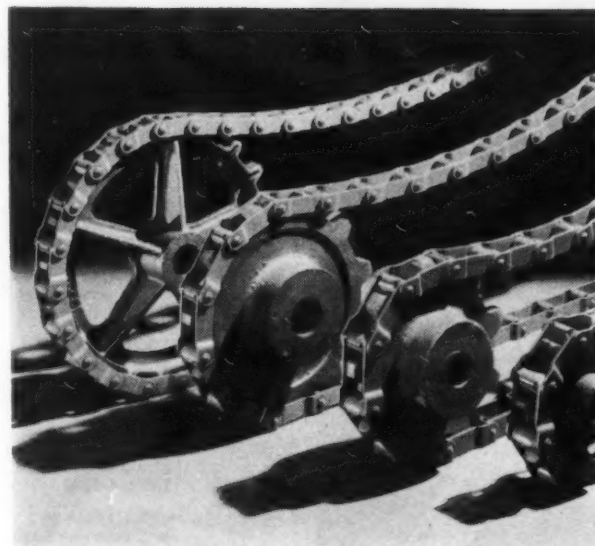
Tool Holder

Adapts to Disposables

Disposable tool holder end attaches to conventional shank by means of a single screw. It, in turn, holds a throw-away carbide tip. Ends are available for every standard lead angle. It is recommended for both cast iron and more difficult turning and facing.

Price: \$4. Delivery: immediate.

Ends Co., Inc., 515 Luett Ave., Indianapolis, Ind. (P.W., 10/19/59)



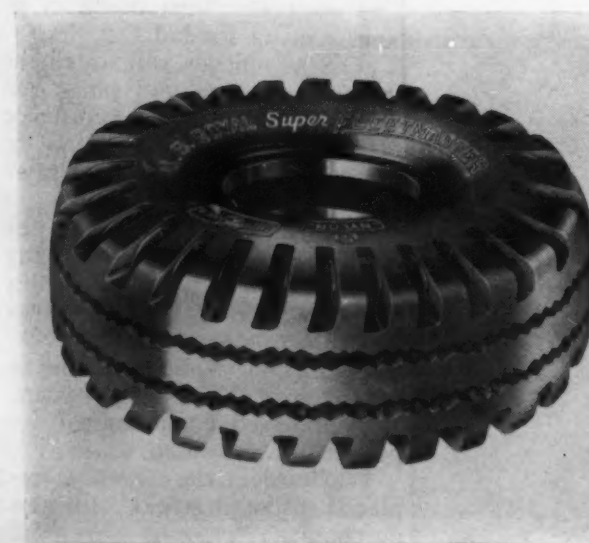
Chain

Made of Steel

Steel pintle chain designed for applications requiring capacities exceeding those of steel detachable chain and where more costly roller chain or malleable pintle chain might be used. Produced in 4 sizes, 662, 667, 667-H, and 672 in standard detachable pitches.

Price: 53¢-63¢ ft. Delivery: 30-45 days.

Locke Steel Chain Co., Huntington, Ind. (P.W., 10/19/59)



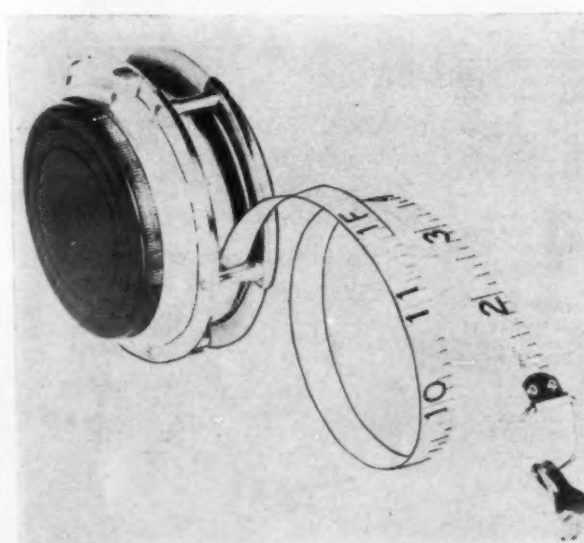
Truck Tire

Takes Rough Wear

Deep tread of truck tire is designed for soft or rough off-the-road service while sharp traction edges give it traction on the highway. Ideal for tankers, cement trucks, etc. Available in sizes from 7.50-20 to 11.00-24, tubes and tubeless.

Price: \$127.25-\$302.05 (tubes); \$166.80-\$252.25 (tubeless). Delivery: immediate.

U. S. Rubber Co., Rockefeller Center, N.Y. (P.W., 10/19/59)



Measuring Tape

50-Ft. Long

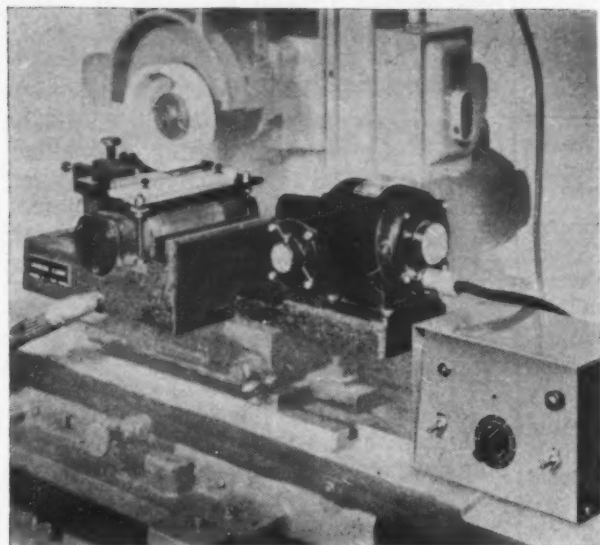
Automatic reel 50-ft. measuring tape is designed for rugged use. It is heavy-gauge steel with large numbers and will not bind, kink, or break. Sturdy holding point and loop holds tape securely and tape automatically rewinds when pulled.

Price: \$13.65. Delivery: 2 wk.

Spencer Production & Sales, 306 Cleveland St., Pullman, Washington. (P.W., 10/19/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



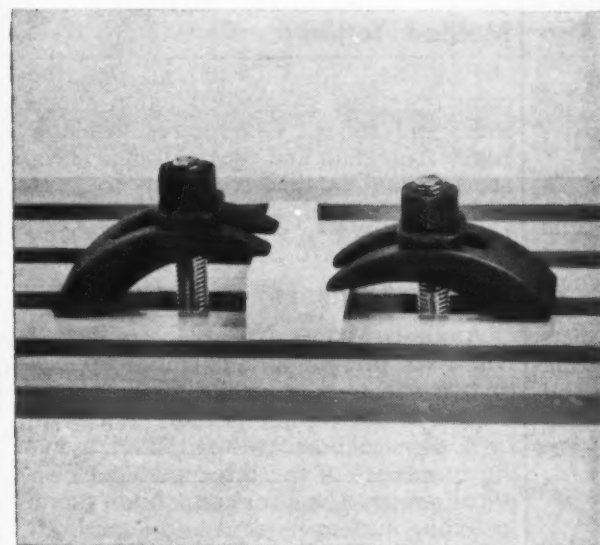
Grinder Attachment

Converts Surface Grinder

Portable grinder attachment converts any surface grinder into a precision O.D., I.D., and centerless grinder. For centerless grinding, the work rests on a motor-driven regulating roller—for plunge grinding, a hold-down bracket is inserted into the unit.

Price: \$1,200. Delivery: 2 wk.

Unison Corp., 2843 Hilton Rd., Ferndale, Mich. (P.W., 10/19/59)



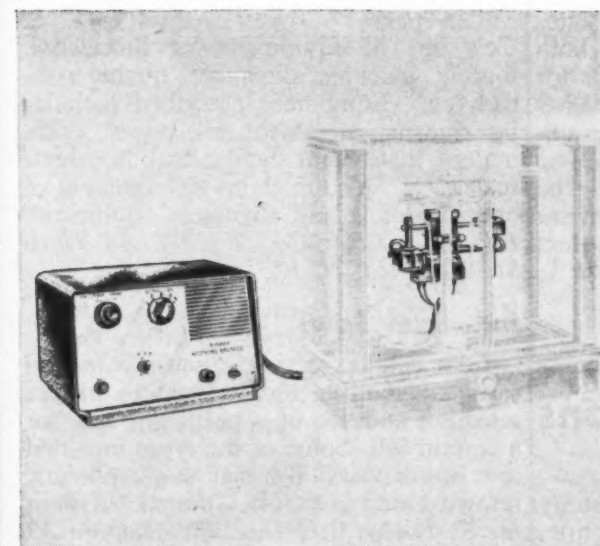
Clamps

Hold Down Work

Clamps hold down work on drill presses, jig borers, planers, punch presses, and universal and vertical mills. They clamp without shims to the full capacity of the clamp. One prong in place is enough to hold the work piece. Washers distribute the pressure evenly.

Price: \$7.50 (4-in.), \$12.65 (8-in.). Delivery: immediate.

Insta-clamp Co., 2420 Home Place, Dearborn, Mich. (P.W., 10/19/59)



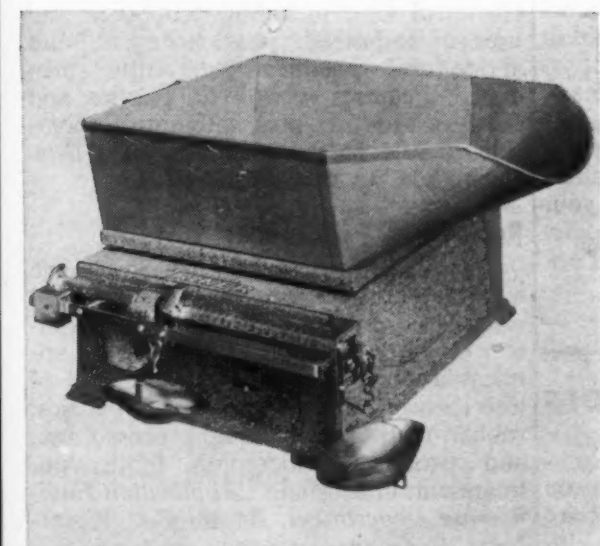
Balance Attachment

Records Readings

Converts 2-pan analytical balance into a recording instrument that automatically plots weight changes of a few tenths of a milligram to 5 gr. Attachment goes on scale center post, attaches to amplifier which in turn connects to a recorder.

Price: \$625. Delivery: immediate.

Fisher Scientific Co., 389 Fisher Bldg., Pittsburgh, Pa. (P.W., 10/19/59)



Scale

Checks Quantities

Double ratio scale is designed to count unknown or to check predetermined quantities. Various models include ratios from 100:1 to 9:1. The scales operate on the balance system and have a tare bar to facilitate counting. Capacities up to 250 lb.

Price: \$136-158. Delivery: 1-2 wk.

Triner Scale & Mfg. Co., 2714 W. 21st St., Chicago, Ill. (P.W., 10/19/59)

October 19-25

Product Perspective

Small 1960 Fleet Car Models

The new small cars might well mean considerable savings for fleet owners. Preliminary reports promise cost reductions in five car owning and operating areas: purchase price, gas consumption, tire wear, insurance premiums, and maintenance.

Initial cost will be lower. Ford's Falcon lists for \$1,746—the cheapest Ford will sell for \$1,970. This only tells part of the story. Power accessories and other gadgets are not a must with new compacts—and because new cars weigh 1,000 lb. less than standards, shipping costs will be cut.

All new compacts claim around 30 miles per gal. at turnpike speed. Estimates for city driving run from 20 up. With the price of gas continually rising (the 1¢ increase in the Federal gasoline tax was just the latest in a clearly established trend) the new cars promise large operating savings over their big gas-eating brothers. **Total gas consumption could be reduced as much as 50% if salesmen do a lot of highway driving.** (The compacts all use regular grades.)

All the auto companies, as well as the tire makers, claim that compacts will go 30% longer between tire changes. The smaller rim size (13 as against 14-in.) means each tire will have to go around more times to cover the same distance, but makers claim this is more than offset by the lighter weights of the new cars.

Insurance premiums should be lower. Insurance companies base all premiums (except liability) on the basis of car value—the cheaper the car, the lower the premium. **Savings also will accrue from state registrations.** Most states and some cities set their fees by weight of the vehicle—the new cars being substantially lighter will cost less to register.

Less frequent maintenance should be needed—and each stay in the repair shop will cost less. The compacts are simpler, have fewer parts. The Falcon engine has 120 fewer parts than the standard Ford 6. The Falcon also has "bolt-on" front fenders which should help repair ease.

• **The Big Three small models are fairly similar in basic dimensions—**wheel base, over-all length, height, width, weight and tread. All three are equipped with unified bodies, and 6 cylinder engines. **All are engineered from the ground up as economy cars.** Standard Fords, Chevies, and Plymouths run 8-10 in. wider, 2-3 ft. longer and 600-1,000 lb. heavier. **But differences in the three new compacts outweigh their similarities.**

• **Chevrolet's Corvair is the most different car that Detroit has produced in a long time.** Most novel feature is the air cooled aluminum engine in the rear. It has stirred a "front-versus-rear" controversy which may go on a long time.

Chrovelet's president, Cole, became a rear engine advocate when he was an engineer at a G.M. tank plant during World War II. The company finally gave him the go-ahead to try his pet idea on the Corvair. Once the decision to put the engine in the rear was made the **problem was to reduce its weight** so that it wouldn't affect steering. **This led to the aluminum block and air-cooling.** Elimination of the radiator with its rust and anti-freeze problems will reduce maintenance.

The Corvair's interior floor is practically flat since there is no drive shaft running from front to rear. The manual gear shift lever is mounted on the floor; automatic transmission is available in the form of a dashboard lever. New tire design uses a low profile (wide and shallow) tire mounted on an extra-wide rim. Since the air-cooled engine doesn't produce any usable heat, a gasoline-burning heater was designed to fit in luggage compartment. **For \$32.50 addition a folding-rear seat adds 13 extra cubic feet of luggage space.**

• **Ford Falcon** has the same interior dimensions as the standard '54 Ford but it weighs 1,500-lb. less and costs \$150 less than last years. **Ford achieved the lower price and weight with some tight designing and manufacturing.** Simplification was the word—the Falcon has 120 fewer parts in the engine, over 200 less in the body. Both standard and automatic shift levers are on the steering wheel.

• **Chrysler's Valiant** lies somewhere between the conventionality of the Falcon and the daring of the Corvair. It is 300-lb. heavier than either the Convair or Falcon and it has a more powerful engine. The engine is tilted at a 300-deg. angle to produce a lower center of gravity. Valiant has a new intake manifold which acts something like a supercharger—increasing performance 8% with no loss in gas economy.

Chrysler's use of a.c. alternator to replace the conventional d.c. generator is a first in an American made car. The alternator costs more to make, but it cuts maintenance (the carbon brushes ride on a smooth slip ring—not a grooved commutator) and the 5 amp. it produces at idling speed should increase battery life. Six silicon diodes convert the a.c. to d.c. for use.

• **Lark and Rambler dealers aren't panicked at the introduction of the Big Three compacts.** Detroit expects 750,000 to 1-million Big Three small cars along with 500,000 to 700,000 Ramblers and Larks and 500,000 imports.

Your Guide to New Products

(Continued from page 35)



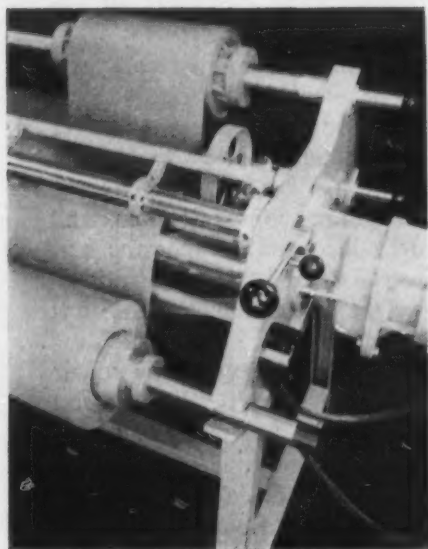
Face Shield

Combines Vision, Ventilation

Safety face shield combines vision with ventilation. It is designed for use by industrial workers who require both visibility and face protection while working in heated areas. The shield incorporates an optically correct acetate window in a fine metal mesh screen, 8x11½-in. A fibre headband holds the shield before the face. Windows are available in clear, green or aluminized.

Price: \$5.45 to \$6.10. Delivery: immediate.

American Optical Co., Southbridge, Mass. (P.W., 10/19/59)



Paper Slitter

For Short Runs

Slitter is designed to cut plastic films and sheeting, foils, lightweight paper, and similar materials on short runs or low volume operations. Roll as narrow as ½ in. may be slit and wound at speeds of up to 80 fpm. An automatic yardage counter permits continuous control of all material processed. Feed and take-up rolls are interchangeable and various widths may be cut from a single bulk roll.

Price: \$1,800. Delivery: 90 days.
Leedpak, Inc., 294 Fifth Ave., N. Y., N. Y. (P.W., 10/19/59)



Sand Blaster

Needs No Special Room

Sand blasting unit has newly designed pistol-grip. It uses all types of abrasives with a choice of 3 nozzles. The abrasive can be contained in a small area with a cardboard box or cloth, eliminating the need for a special room. Recommended for cleaning hard-to-get-at places. Air required at 100-lb. pressure varies from 7-20 cfm. depending on size nozzle. Abrasive capacity is 12 qt.

Price: \$39.95. Delivery: immediate.
ALC Co., Rt. #5, Box 40, Medina, Ohio. (P.W., 10/19/59)

Purchasing Week Definition

Different Types of Steel-1

AISI—Steels specified by the numbering system of the American Iron & Steel Institute.

Alloy—Steel containing quantities of elements other than carbon and the commonly accepted elements. The additions are usually for the purpose of increasing certain qualities. Most commonly used metals are nickel, chromium, silicon, manganese, tungsten, molybdenum, and vanadium. Low alloy steels usually are considered to have less than 5% of such added elements.

Bar, hot-rolled—Semi-finished bars

produced from ingots, blooms or billets.

Cast—Any object made by pouring molten steel into a mold.

Cold rolled sheets—Sheets processed to produce a surface superior to a hot rolled finish.

Electric Furnace—Steel made in any furnace where heat is generated electrically. Because of high costs only tool steel or other higher priced steels are made by this process.

Extrusion—Steel shaped in a continuous form by being forced through a die of an appropriate shape. (P.W., 10/19/59)

New Books

Introduction to Business. By R. E. Glo and Harold A. Baker. Published by South-Western Publishing Co., 5101 Madison Rd., Cincinnati 27, Ohio. 692 pages. Price: \$6.00

The purchasing executive who wants to brush up on the broad concepts of general business will find this book an excellent, easy-to-read presentation. It covers all forms of business as well as the major operations within an industrial concern.

The chapters on pricing, purchasing, and stock control will be of particular interest. For the authors give their views on these functions both to the firm and in their relationships with each other.

Control of materials, reciprocal buying, speculation, and price equilibrium theory are only a few of the vital purchasing areas covered in this book. And each is presented briefly and clearly in basic business style.

There is a host of valuable information that you can get from this book besides its value as a general review of modern business operations.

Bolt, Nut and Rivet Standards. Industrial Fasteners Institute, 1517 Terminal Tower, Cleveland 13. 287 pages. Price: \$3.00.

This third edition now includes all current engineering standards, including those made since the 1952 edition. It is published as a guide for both manufacturers and users of industrial fasteners and brings together into one volume nationally recognized dimensional standards for general-purpose industrial fasteners. These include bolts, nuts, studs, screws (machine, cap, tapping, wood), washers, and rivets. There also is useful information on fastener specifications and standards, grade markings, locknut specifications, terminology, and unified screw thread standards.

Aids to Purchasing

Exporter Importer List

Complete directory of United States importers and exporters. Gives both sources of supply and list of markets for products in the United States. Lists American firms representing other countries in U. S. and in other countries. The price of the register is \$15 and may be obtained by writing to the *American Register of Exporters and Importers Corp.*, 90 West Broadway, New York 7, N. Y.

From the Associations

Current Projects Standards

Lists 425 projects under A.S.A. study in 19 fields of activity, giving the title, scope, names of sponsors and officers for each project. Discusses questions such as: Which committee is responsible for establishing the method of determining the A.S.A. rating of photographic film? Is there an A.S.A. project to establish standardized abbreviations for the physical sciences and engineering? How many A.S.A. projects have been set up in the field of materials handling? etc. The price of the book is 75¢ for A.S.A. members and \$1.50 for non-members. Order your copy from *American Standards Association, Inc.*, 70 East 45th St., New York 17, N. Y.

From the Manufacturers

Aircomatic Welding Wires

(84 pages) Includes information on Aircomatic's line of gas-shielded metal-arc welding wires. Contains technical in-

Profitable

formation such as chemical composition, mechanical properties, wire diameters, packaging data, etc. Answers pertinent questions concerning stainless steel, titanium, aluminum, copper, etc. *Air Reduction Sales Co.*, 150 E. 42nd St., New York 17, N. Y.

Welding Equipment

(40 pages) Features Smith's complete line of gas welding, cutting and allied equipment. Shows equipment in proper size relation plus charts and technical data. Also covers flow capacity curves for company's line of gas pressure regulators. *Smith Welding Equipment Corp.*, 2633 Fourth St., Minneapolis 14, Minn.

"Facts on Phenolics"

(16 pages) Lists physical properties of 33 Durez phenolic and three Durez diallyl phthalate molding compounds. Are listed in group classifications such as general purpose types, standard, faster cure, improved impact resistant, high impact resistant, etc. *Durez Plastics Division, Hooker Chemical Corp.*, North Tonawanda, N. Y.

Molded Teflon

Fact Sheet No. 3, (4 pages.) Describes company's line of molded teflon sheets, rods, and tubes. Gives sizes available, engineering data and uses. Molded sheets are supplied in thicknesses up to 2 in., and in sizes up to 48x48-in. *Chemplast, Inc.*, 3 Central Ave., East Newark, N. J.

Tubing Analyses

Analysis Memo. No. 121, (6 Pages). Discusses present and potential applications for three new small tubing analyses—columbium, tantalum and vanadium. Lists physical, mechanical, and fabricating properties of the three analyses. Applications are given for columbium tubing including nuclear reactors and jet aircraft, rockets and missiles. *Superior Tube Co.*, 1856 Germantown Ave., Norristown, Pa.

Optical Equipment

(25 pages) Covers Keuffel & Esser Co.'s line of equipment for production tooling, machine alignment, quality control, etc. Equipment described includes jig transits, alignment telescopes, collimators, instrument stands, lamp housings, scales, etc. Also explains development of optical tooling and alignment equipment. *Keuffel & Esser Co.*, Adams and Third St., Hoboken, N. J.

Industrial Saws

Four catalog sections discuss industrial saws and cutting tools. Includes proper selection and use of a particular saw for a certain job. Some of the types included are: mitre saws, trimmer saws, planers, resaws, cutoff saws, etc. *Disston Division, H. K. Porter Co., Inc.*, Philadelphia 35 Pa.

Chemical Products

(44 pages) Lists products of Dow Chemical Co., including properties and uses of industrial, pharmaceutical, and agricultural chemicals currently produced. Features section on plastics and coatings products plus automotive chemicals, textile fibers, oxazolidinones. *Dow Chemical Co.*, Midland, Mich.

Radiation Pyrometer System

Data bulletin describes new low-range temperature measuring system. Standard range of Low-Range Radiation Pyrometer System is 0-400 F. System is applicable for temperature measurement of web process products (paper, plastics, rubber, textiles, etc.) liquid process flows, and products undergoing fabrication, treatment, or finishing. *Application Engineering Department, Bristol Co.*, Waterbury 20, Conn.

Reading for Purchasing Agents

tion information, prices, etc.
Rexon Mount Division Hamilton
Kent Mfg. Co., Kent, Ohio.

Silicone Potting Material

Describes transparent silicone potting compound that permits visual and instrument checking of individual parts. Material cures in place to form a resilient covering. Illustrations show how potted circuits can be visually traced. Material is designated Dow Corning Dielectric Gel. Dow Corning Corp., Midland, Mich.

Processing Equipment

Describes equipment available for processing chemical and food products, and for the recovery of by-products. Gives mechanical details and covers drum, rotary, spray, and pan dryers; flakers and coolers, autoclaves; etc. Catalog 386. Blaw-Knox Co., Buffalo Equipment Division, P. O. Box 2041, Buffalo 5, N. Y.

Shallow-Depth Switchboards

Covers shallow-depth switchboards through 2,000 amp. Three types covered are incoming line sections, distribution sections, and combination metering. Gives technical information on ratings, layout, dimensions, and specifications. Bulletin 2015. Federal Pacific Electric Co., 50 Paris St., Newark 1, N. J.

Lighting Supports

Discusses channel-type lighting supports for installing wiring and electrical lighting fixtures. Includes information on the surface raceway system and the simplex system, junction boxes, and fittings for complete assembly. Bulletin G-2. Steel City Electric Co., 1207 Columbus Ave., Pittsburgh 33, Pa.

Polyester Resin

Two bulletins describe properties, applications and a room-temperature curing system for Atlac 382, polyester resin. Aids industries with problems of physical, chemical, or electrical failure in equipment because of elevated temperatures or corrosion. Atlas Powder Co., Chemicals Division, Wilmington 99, Del.

Test Instruments

Describes use of instruments to measure, indicate, record, simulate, etc., many static or dynamic quantities from dc. to 100,000 cps. Covers amplifiers, nuclear instrumentation, relay racks, temperature controllers, etc. Minneapolis - Honeywell Regulator Co., Industrial Division, Wayne and Windrim Aves., Philadelphia 44, Pa.

Magnetic Starters

14-B1, (16 pages). Describes company's new line of magnetic starters through 15 hp. 44-55 volts. Discusses such features as front removable components, dual voltage coils, selector, pilot light, selector switch, etc. Furnas Electric Co., 1134 McKee St., Batavia, Ill.

Control Connectors

Bulletin 372, (12 pages). Gives information on Joy equip-

ment control connectors that are constructed of neoprene and are designed for applications up to 600 v. Provides specifications, dimensions, photographs and typical applications. Joy Mfg. Co., Electrical Products Division, 1201 Macklind Ave., St. Louis 10, Mo.

Heat Treatment of Steels

(28 pages). Describes heat treating procedures including

step-annealing, martempering, and austempering. Describes derivation, meaning of TTT diagram. Uddeholm Co. of America, Inc., 155 East 44th St., N. Y. C.

Electronic Components

Catalog No. 50. Gives U. S. military specifications components that Ohmite manufactures. Contains summary sheets, dimensional drawings, and derating graphs. Includes products

such as fixed power resistors, rheostats, tantalum capacitors, precision resistors, etc. Ohmite Mfg. Co., 3675 Howard St., Skokie, Ill.

Vibration Mounts

Describes company's complete line of vibration mounts which has a special device to provide vibration isolation and acoustic control. Lists engineering details, performance data, and installa-

Commercial Alloys

"Titan Rectangular and Square Bars," (8 pages). Gives sizes, pounds per foot, and alloy specifications for brass, bronze, and nickel-silver rectangular and square bars. Includes free-cutting brasses, architectural bronze, cartridge brass, manganese bronzes, forging brass, etc. Lists pounds per square foot for available rectangles and squares. Customer Service Department, Titan Metal Mfg. Co., Cerro de Pasco Corp., Bellefonte, Pa.



BRIDGEPORT BRASS STRIP...



Peterson Manufacturing Company, Kansas City, produces the auto accessories shown here.

STOPS Rising Production Costs of Vital Automotive Accessories

Spotlights, stop lights, reflectors and a host of vital auto accessories are most economically produced from Bridgeport Cartridge Brass Strip (Alloy 69). The ease with which Alloy 69 can be formed is the key to the cost savings. In fact, Cartridge Brass has replaced stainless steel in many of these applications.

Superior deep-drawing properties in Cartridge Brass make it possible to reduce the number of forming operations to a minimum. Rejects are also eliminated, for Alloy 69 has the ductility and strength to take progressive forming operations without rupture or cracking. And the finish remains fine during processing — fine for the chrome plating needed to give auto lamps reflective brilliance. The added plus of high

scrap value for brass gives manufacturers a final dollars-and-cents reason to lower manufacturing costs by forming parts from a forming material—Cartridge Brass Strip.

Lamps are not the only products that save from the formability of Cartridge Brass Strip. Grillwork and grommets, snap fasteners and spun products, eyelet machine items and every progressively formed product can enjoy minimum unit costs with this one-of-a-hundred Bridgeport Metals. For a complete list, and mechanical-physical properties comparison, write today for a copy of the folder, "Bridgeport Alloys, Copper, Brass, Bronze." Please address Dept. 4009.



BRIDGEPORT BRASS COMPANY

Bridgeport 2, Conn. • Sales Offices in Principal Cities
Specialists in Metals from Aluminum to Zirconium

Standardization—How, Why, Who, What, When

New York—Standardization—along with value analysis—in materials and product specifications is almost dogma to many top-notch purchasing officials.

The American Standards Association—with some 2,000 member firms—conducts an ever-expanding standards establishment program in conjunction with leading engineering and other industrial groups, including purchasing. It currently is pushing more than 400 active standards projects and has participated in the listing and establishing thousands of others.

But—despite indications that a planned standardization program returns an average \$6 for every \$1 spent, the majority of American industrial firms so far have failed to realize the savings potential of standardization.

The A.S.A. reached that overall conclusion in a just-published report on a survey that undertook to answer questions concerning the cost and extent of

industrial standardization in the United States.

How much money does American industry invest in standardization? How many people are employed in standards work? How many standards are used in the various branches of industry?

The A.S.A., after querying about 2,800 firms from its own membership rolls and companies known to have an interest in standardization progress, admits it failed to come up with complete answers to those questions. American industry as a whole probably doesn't know.

• But the Association was able to report what appeared to be gradual, if not fully measurable progress, in the awareness of industry during the past few years to the wealth of benefits waiting to be tapped through organized application of standards.

• Virtually all companies reporting specific dollar savings

also reported extensive use of standards and standards manuals in their operations. This would seem to indicate a "close link between organized standards work and recordable cost savings," the A.S.A. said.

• Savings reported by standards-conscious companies ranged from \$6,000 to \$1 million annually. The dollars-saved figures also ranged up to \$50 per \$1 spent on standards work. And in terms of sales of the firms involved, the A.S.A. figured savings ranged from 0.3% to 5% with the average close to 1%.

• The A.S.A., applying the average 1% saving to a gross national product estimate of more than \$450 billion, declared there was "reasonable evidence to assume that the entire American economy could save \$4 billion a year through standardization."

• In 1956, the National Industrial Conference Board concluded after an extensive survey of key firms "that many companies are not availing themselves fully of the opportunities for increased efficiency and cost savings that standards offer."

The A.S.A. now asserts, on the basis of its survey report, that some progress has been made in the three years that have elapsed since N.I.C.B. made its investigation. And while confessing the results of its own inquiry were somewhat less than spectacular (only 238 replies were received from the 2,800 questionnaires mailed), the American Standards Association believes "more and more companies are beginning to realize the cost-cutting potential of an organized program."

Other evidence available at offices of A.S.A. appears to support this conclusion.

• Requests by an increasing

number of companies, through their trade association, technical societies, and other national groups, to initiate new American Standards projects of national scope. Current projects total 435.

• As companies learn of the economic benefits of standardization, the A.S.A. says, they learn that these benefits can be extended in many cases across company and industrial lines, to the mutual benefit of all.

In assessing the results of its survey of the organization costs and savings of industrial standardization, the A.S.A. declared its most "crucial finding" was that most of the companies reporting specific dollar savings also reported extensive use of standards and standards manuals.

It also deduced that "a majority of companies are missing the benefits of a standards program and of budgetary control of their standards work." And judging by the answers of companies that do keep a financial eye on their standards activities, the A.S.A. declared, "the benefits are substantial."

Nevertheless, the A.S.A. was able to spot a "strong indication that more companies are becoming aware of the potential benefits—88% of the companies responding to the survey reported varying degrees of standards activities and of these 43% reported a formal organized program."

"An interpretive appraisal of the answers indicates a hopeful trend," the report said. "Some companies are only now beginning to discover standardization as a concept and are initiating standards projects with some measure of control and budget."

Other key points:

• Organization—Out of 89 firms reporting a formal standards program, 66 said their standards

setup was centralized. A total of 151 replied that standards problems were handled as part of functions such as engineering, design, and purchasing.

• Financing—In approximating yearly costs of standards activities, the largest figure reported was \$420,000 spent by a communications company. An aviation company reported an annual budget of \$200,000, an electrical manufacturing company \$157,000.

The mean figure was in the neighborhood of \$25,000 because almost half the budget figures reported fell between \$20,000 and \$30,000. Most of the standardization work was listed as budgeted under engineering, operating or production departments.

• Standards use—142 companies reported use of standards on record in company files or manuals. Sixty-two companies use more than 100 standards each. Eighteen use more than 1,000 each.

As for standards manuals, 112 companies indicated they use them—with 60 reporting they maintain more than 100 manuals throughout their organizations. One firm said it utilizes "about 20,000" manuals.

In the application of standards, design and engineering received the most top mentions. Materials, products and components were rated second in order of application. Purchasing and production were about evenly tied for third spot.

• Savings accomplished—In estimating savings per dollar spent on standards activities, the average was just under \$6. In other words, the average company, on the basis of the A.S.A. survey can expect to get a 6-fold return on its standardization investment.

Procurement Expert Vincent Goubeau Wins Laurels with Standardization

Camden, N. J.—A procurement expert who has played a "key role in making standards one of the major tools of purchasing agents" will receive a salute from the American Standards Assn. this week.

He is R.C.A. Vice President Vincent DePaul Goubeau, who contends the purchasing man's big job in standardization is to ride herd on plant engineers and steer them away from using "specials where a standard would perform just as well."

Goubeau, also director of material for Radio Corp. of America, will receive the Howard Coonley Medal, an award made annually by the A.S.A. to an executive for service in advancing the national economy through voluntary standards. The medal will be presented Wednesday night in conjunction with the A.S.A.'s 10th national conference on standards at Detroit.

Goubeau, a director of the American Standards Association and a former director of the National Association of Purchasing Agents, told PURCHASING WEEK:

"I've made numerous speeches all over the country, emphasizing the importance of standardization in American industry and in the economy of the nation. The one thing that impressed me, the one thing that troubled me, is this:

"Everyone accepts standards as a way of life, something that just is, and too few people realize the need to continually push and promote the concept."

He said this also holds true for many purchasing agents. "They have done a marvelous job in using standardization as a powerful cost-reduction tool, but they could do so much more," the R.C.A. executive declared.

Former chief of procurement for the Navy during World War II, Goubeau said that the purchasing agent's most important job in the standardization field "is to continually discourage his chief engineer or any engineer in the plant from using specials

where a standard would perform just as well.

"He must continually impress upon the technical people in his organization as well as top management the important role standards can play in achieving a



VINCENT GOUBEAU

quality product at a much lower cost."

Goubeau said purchasing men must remain continually aware of new voluntary standards as well as knowing what all the standards are in his industry.

"The people who really have no conception of the importance of standardization today," Goubeau stressed, "are the controllers or financial people in American industry. And P.A.'s could do much to open their eyes."

He praised the National Association of Purchasing Agents for its "marvelous job" in promoting the importance of this concept by forming standardization committees and establishing a solid educational program directed toward this field.

The Coonley Medal was named for Howard Coonley, former president and board chairman of the Walworth Co. He served for 22 years on the board of directors of the American Standards Association and provided U. S. industrial leadership as the first president of the International Organization for Standardization.

Here's What Standardization Has Done to Date

Electric Utilities

Dayton Power & Light Co., using 4,000 standards manuals in 16 groups throughout the utility, cites three major cases of savings.

• Standardization on compression electrical connections as against bolted connections reduced connection costs 50% and slashed connection troubles 90%.

• A change in standards for wiring used in overhead distribution cut construction costs 20% for conductors.

• Standardization of pole classes reduced stock items 40%.

Summing up, Dayton stated: "... Our purchasing and warehousing depend on standards for economical operation using approved materials. Our accounting system is highly complex and can operate only because of detailed standardized operating manuals."

Machine Tools

Warner Swasey Co. reported a formal standards program with a \$34,600 budget. Some of its accomplishments include:

Application of standard radii on drawings eliminated the prob-

lem of stocking many tools of different radii.

After a study of the type and size of screws used in various products, standards were established which eliminated special length screws, thereby reducing cost of special runs to produce those screws.

Machinery

A manufacturer with 10 plants and annual sales of \$155 million reported a total yearly standards budget of \$70,000 (including a \$60,000 payroll). Tangible savings total \$250,000/yr; estimated (intangible) savings—\$35 to \$50 per \$1 spent.

The company uses 530 standards and 240 copies of a standards manual. A continuous program eliminates about 600 stock duplication/yr. The company's standards department has other duties such as: purchase research, value analysis, publishing tabulated lists of production parts, assigning part numbers, inventory liquidation, liaison between engineering, purchasing, vendors and manufacturing facilities, and publishing reference drawings and standards books.

Office Equipment

Pitney-Bowes, with nearly \$19,000 in standardization expenditures annually (mostly payroll), estimates yearly savings of \$50,000.

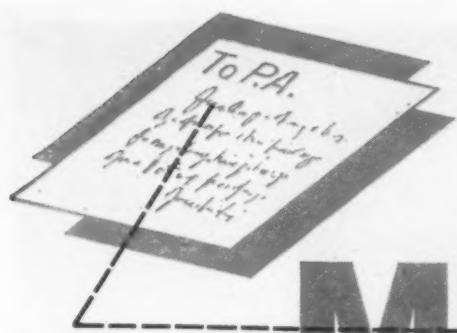
Other benefits include reductions of stock items ranging from 30-50%, longer production runs because of better standardization, and review of all production engineering design by standards section to insure compliance with company standards.

Paper

St. Regis Paper Co., with 73 plants and annual sales of \$360 million, estimated standardization savings at \$107,000 a year in return for total expenditures of \$30,000.

In three years stock inventory was reduced by \$1.2 million and production increased 22% with 41% less man hours.

"Our standards program is new. We will in another year or so have more than doubled the savings shown in this report, and we hope to be participating in the American Standards Assn. program before long."



MANAGEMENT MEMOS

Able Management Is Hard to Get

Be a good manager and you can assured of a good job—or at least to be in demand. And you may not have too much competition in the "good manager" role. Here's a recent back-up statement on this by the chairman of one of the country's most active company-gobbling corporations—Frank Pace, Jr., General Dynamics Corporation . . .

"One of the criteria that we set up for the companies that we have acquired and may acquire, is that they must have good management. This is of extreme importance because I find that competent management is one of the most difficult things to acquire in America today."

Snake-Pits in American Business

In a recent forum sponsored by the Connecticut Mutual Life Insurance Co. it was disclosed that mental illness costs American business about \$12 billion a year. Dr. Robert N. McMurry, president of the Chicago industrial relations firm, McMurry Co., said contributing to mental illness among workers were bad supervision, poor morale, unattractive working conditions, lack of job security, and assignment of workers to tasks that are incompatible.

The good doctor said nothing about the effects of the late deliveries. We've seen some of the worst cases due to this cause.

Not just "blue-collar" workers suffered this mental illness. "White-collar" people also were affected. In the tense atmosphere of purchasing—with late deliveries, strikes, rush orders, etc.—it might pay P.A.'s to back off once in a while and take a hard look at themselves and those who work for them.

No Inventory Gripes on Hot Items

Don Mitchell, president of General Telephone & Electronics Corp., in a recent talk, had some things to say on finished goods inventory problems that have a familiar ring to P.A.'s in their own

raw material inventory bailiwick. Said Mitchell: "You know, when you have thousands of products and you build an inventory of every one, if you make too little of any one thing, you get that corrected soon enough."

"Why? Because the customer begins to raise hell with the salesman and the salesman begins to raise hell with the factory, and somebody does something."

"But, did you ever stop to think what happens when you make too much of something? Nobody says anything to anybody, and the damn machine is just grinding them out."

"Somebody put it this way . . . 'It's an amazing thing—we never have any inventory problem with our fast moving items.'—Ever think of that? All our inventory problems are with the stuff that doesn't move, not with the stuff that does."

Climb the Ladder to a Wooden Desk

The National Office Furniture Association reveals that 90-95% of sales for executive offices are wood furniture, while 90-95% of the sales for general offices are steel furniture.

We can now reasonably anticipate a new hue and cry among top management aspirants . . . "Don't be a steel desk man all your life! Apply yourself; become a wood desk man!"



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The economy line — of elastoplastic vinylite . . . a "non-slip grip" for rapid installation and removal, a "stay-put fit."

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nut, make a drip-tight, leak-proof connection WITHOUT EXCESSIVE WRENCHING time and time again. Guarantee positive tight connections and extra long service on your pipe lines by using the DART GUARANTEED UNION.

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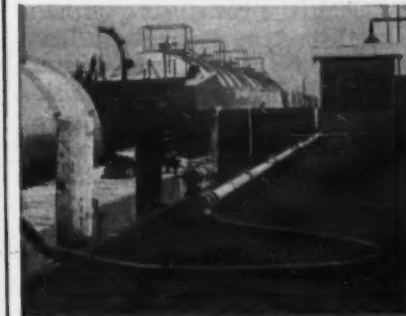
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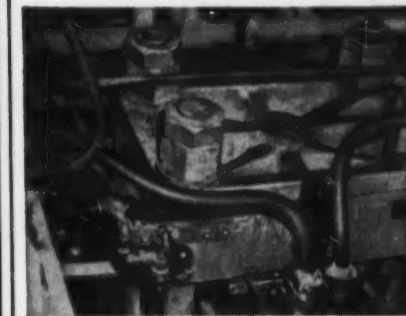
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it serve you longer!



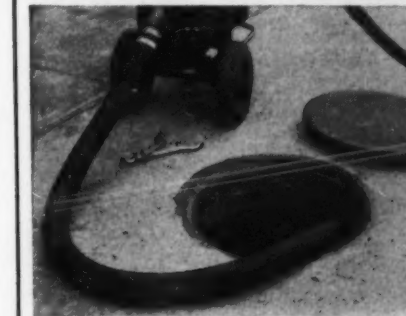
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1. Lost Item Puzzle Solved 2. Vendors Aid Value Analysis 3. G.E.'s Cut-Away Model

1. Lazy Susan For the Factory

P.A.'s frequently are called on to reorder small items only to find out later the items were on hand but mislaid, mislabeled or "lost." Here is how Lockheed Aircraft Corp.'s Marietta, Ga. Division has attempted to cut down on such orders. Lockheed has used an industrial version of the housewife's Lazy Susan.

Under the old storage method, only four oblong pasteboard trays could be placed along the front of each 3'x3' shelf. The result was a great amount of wasted space behind trays and in looking for part on a great number of shelves.

Production control manager,



LESS SPACE NEEDED—In old way 5 oblong trays could be placed in each bin (top shelf). Lazy Susan below permits 21 trays per shelf.

Jack Stanger, came up with the idea of using the Lazy Susan approach. With a circumference of 34" the new gadget, made of plywood holds 21 (15") pie shaped trays and turns within the space formerly occupied by four trays.

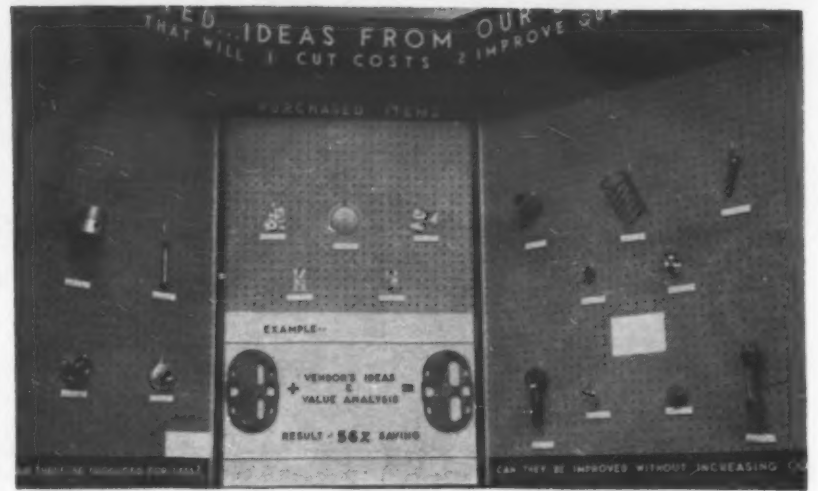
The same pasteboard trays used all along will go onto the turntables—one end will simply be stapled to form the pie shape. Since stock racks for parts are uniform through the plant, it is expected that Lazy Susans will soon be holding parts in all production areas.

All the parts for the Lazy Susan are made at the Lockheed plant, and while no exact cost figures are disclosed, the cost is viewed as "very nominal." It is suggested that local suppliers working in such materials can make them up at small cost to P.A.'s.

2. Display Board Spurs Suggestions

The successful application of vendor ideas in a value analysis program is illustrated by the Worthington Manufacturing Co., Newark, N. J. on an inexpensive display board.

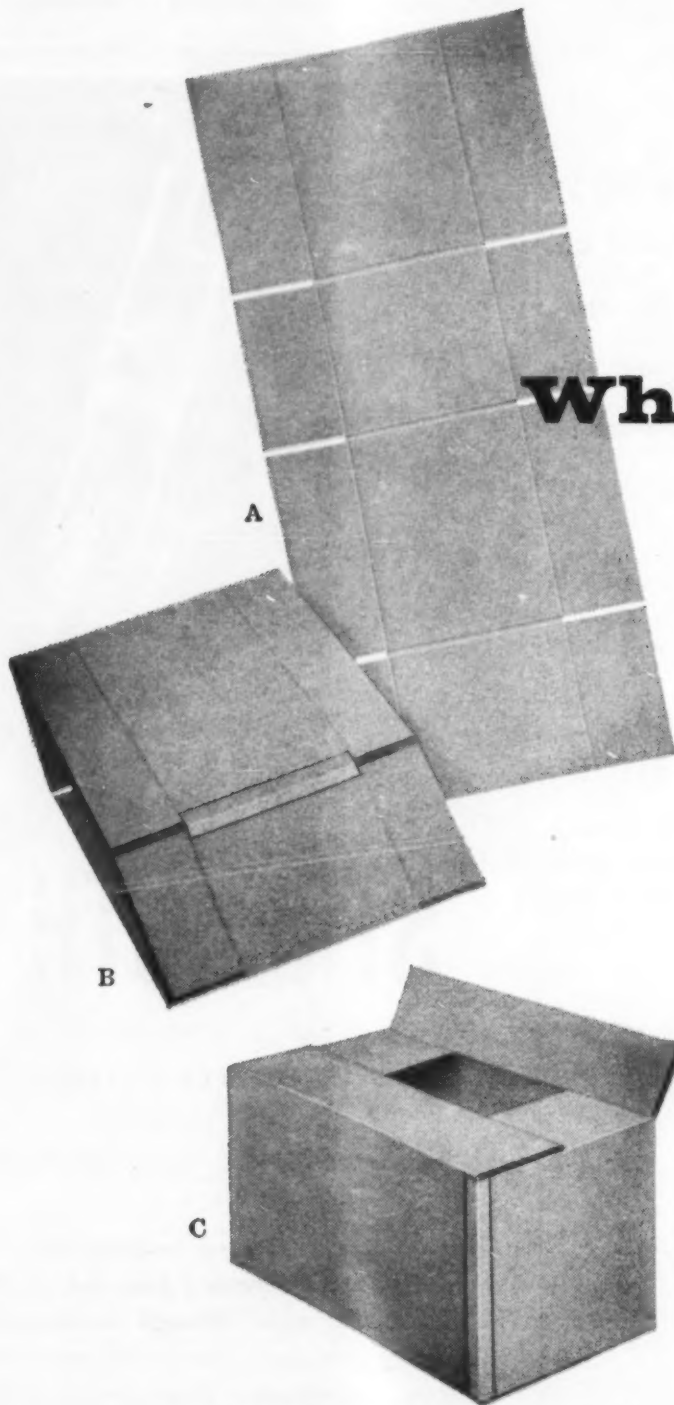
The board is located to attract suppliers visiting the firm's P.A. department. The presentation stresses the vendor's contribution to the program of lower costs with improved quality. This is another application of method to spur interest in value analysis.



IDEAS WANTED for better value is theme of display board at Worthington Corp. in New Jersey. Result of one vendor's idea is shown on board.

What you should know about

What should a box



A. Scored and slotted sheet
B. Folded and taped
C. Assembled box

The "creases", or scores, on corrugated boxes facilitate folding. When straight, and properly formed, they make your packing job easier and faster, assure maximum strength and serviceability of the box.

But just being straight isn't enough. Too narrow or too shallow a score sets up internal stresses, makes the box hard to fold. Too deep, weakens the board, makes the fold easy to tear and come apart during shipment.

What makes a perfect score?

It depends largely on the thickness and type of board, the scoring process, what you are shipping, and



Scoring the sheet

how it is shipped. First, the score must fold without cracking the board. It must also fold straight, regardless of the direction of the corrugations. It must not cramp the inner liners too much when folded at 180°. And it must, under test, withstand

3. Vendors See Their Products in Action

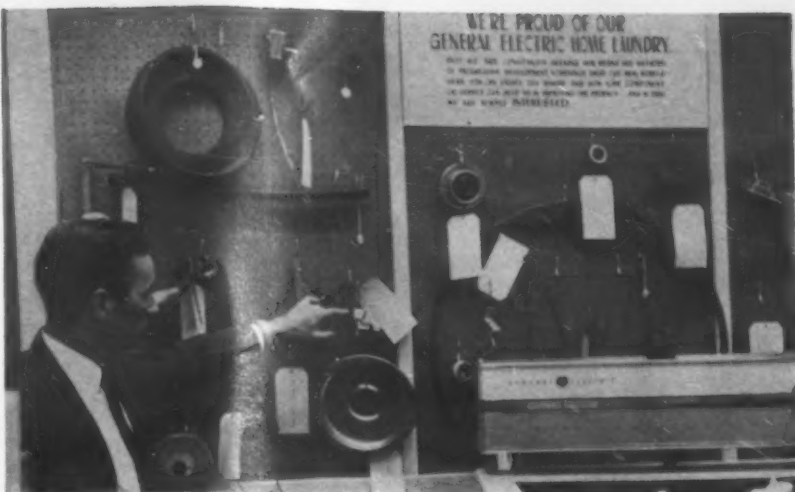
Display boards showing components in manufacture are gaining as a simple way to show vendor opportunities and participation in cost reduction and value analysis programs.

Here Ed. Munson, P.A. of General Electric Co.'s Home Laundry Department inspects a display in the salesman's waiting room at Appliance Park at Louisville, Ky. plant.

Text on the board addressed to visiting suppliers says, "We're proud of our General Electric Home Laundry . . . but we are constantly seeking new means

and methods of progressive development. Scrutinize these cut-away models. Here you can easily see where and how your component or service can help us in improving our product—and in this we are always interested."

The picture at the right shows the layout of the board with its mounted and tagged components. Open to the visiting salesman, the board gives them an opportunity to inspect the various items. The alert salesman can then see if there is any possibility of his company making any of the parts or improving them.



IDEAS FROM VENDORS are sought by "value analysis" display board at General Electric plant in Louisville. Parts data is on tags on board.

No Northeast Oil Problem Says Ike

Washington—The White House has told New England congressmen to quit worrying about residual fuel oil supplies and prices.

Both President Eisenhower and Secretary of Commerce Frederick Mueller assured New England legislators last week that fuel oil supplies will be adequate this winter and prices will be "normal."

New Englanders have been worrying that the government's mandatory oil import program might cause shortages of residual fuel oil and perhaps jack up prices. President Eisenhower and Mueller attempted to dispel their fears in letters to Sen. Leverett Saltonstall (R., Mass.) and Rep. Thomas F. Lane (D., Mass.).

Eisenhower wrote Saltonstall that "at present there is nothing to indicate that supply will not be adequate to meet demand in New England this winter." Mueller advised Lane that on the basis of Interior Department figures, the price of residual fuel oil was 15¢ a bbl. less than it was when controls were imposed on residual last April.

"The conclusion seems inescapable," Mueller said. "The oil prices and oil supplies are normal and have not been adversely affected by import control regulations."

42 Auto Jobbers Face Robinson-Patman Act Court Suit by F.T.C.

Washington—The Federal Trade Commission has tossed Robinson-Patman Act charges at 42 jobbers of automotive supplies and products in Texas and other Southwestern states. The F.T.C. contends the firms knowingly received and induced discriminatory prices from suppliers.

Named in the complaints are members of Automotive Jobbers, Inc., of Dallas, and Ark.-La.-Tex. Warehouse Distributors, of Paris, Texas, both of which have a score of members.

As in similar charges previously filed against other auto supply organizations, the new F.T.C. cases attack the jobber groups as "mere bookkeeping devices," not actually buying members' supplies but serving only as agents through which members are billed.

The F.T.C. argues that in this way the member firms are able to use their combined bargaining power to obtain discounts figured on the group's purchases, while competing companies received supply discounts only on their own purchases.

Bell Laboratory Workers End 12-Day Walkout

Nutley, N. J.—Striking laboratory workers at the International Telephone & Telegraph Co., plant here ended a 12-day strike last week.

Some 1,700 members of the International Union of Electrical Workers (I.U.E.) approved a new two year agreement calling for an average 4.3% pay increase the first year and an additional 4.2% increase the second year.

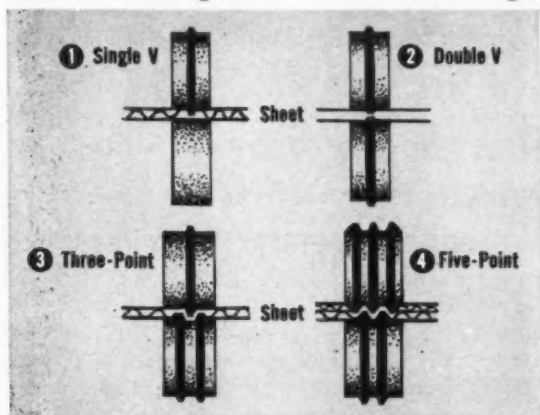
scoring and slotting of Union Boxes

"crease" be...besides straight?

combined tearing, bending and tension forces simulating those it will meet in actual service.

The different kinds of scores

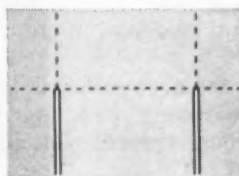
There are four basic methods of scoring corrugated board. 1. The "Single V" crease—most commonly used when the direction of the score is parallel to the corrugations. 2. The "Double V"—generally used across the corrugations and where a clean, good-looking fold is essential. 3. The "Three-Point" crease—good both "with" and "across" corrugations. Used where high



tearing strength is paramount. And 4., the "Five-Point" crease. This, too, scores both ways. It is used almost exclusively for double wall board.

The importance of slotting

Slots, cut by razor-sharp knives, form the top and bottom flaps of your corrugated box. Each slot must cut to an exact width, and at right angles to the flap scores so that the folded flaps will be perfectly parallel where they come together. The knives must cut a clean slot, without ragged edges or "lint". Improper slotting can seriously impair the appearance and protective qualities of your finished box.



Slots form the flaps

At Union, slotting and scoring of corrugated containers is an exact science. It's one small part of Union's complete structural design service to assure you maximum product protection. It's one of the reasons why Union-engineered boxes are used consistently by shippers in every industry.



Write for Union's free, informative booklet "Manufacturing Sheets for Corrugated Boxes."

UNION BOXES

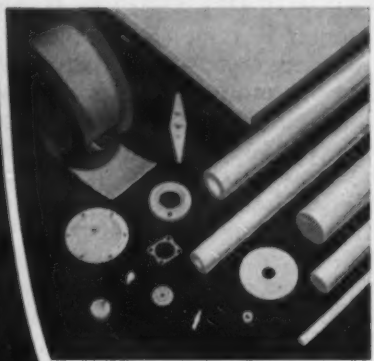
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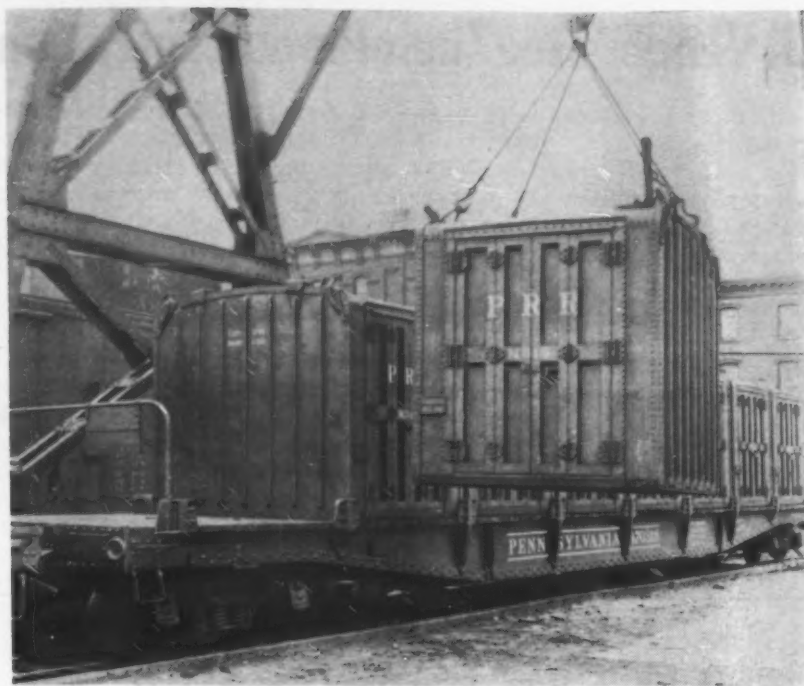


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*DuPont trademark for fluorocarbon resins



AIRWAYS—Cargo box (small container) is unloaded from an air freighter. Larger aircraft, some with rear loading, can handle vans.



RAILWAYS—Cargo containers are unloaded from railway flat car. Many railroads now have management specialists in containerization.

What to Learn About the Use of

Purchasing agents in any industry, buying any commodity, or receiving shipments by any transport medium, may benefit from containerization as it develops.

Basically, containerization is a form of unitization of cargo. It represents a growing trend in handling, shipping, and storing of parts and materials. Although the road is not yet completely clear of obstacles, containerization now breaks to the use of three size categories of containers: van, cargo, and small. (An example in each category is seen in the pictures: Van in truck picture; cargo in railway picture; and small in airway picture).

Questions on the minds of most P.A.'s are: "What benefits are there in containerization for my company?" "If not now, when can I expect containerization to be in a pay-off position for my company?" "How far advanced, how practical, is this technique at the present time?"

P.A.'s of smaller companies may add a question of their own; "Is this just another tool or toy for the giants, or is it something my company can use?"

As in most developments in an important increasingly complex

economy there is no clear cut answer—no assurance of profitable utilization, or of knowing just when there may be a payoff. This much is sure: There are companies now using containerization to advantage, the numbers of these companies are increasing, and some of the roadblocks to containerization are being pushed off the highways, railways, airways, and seaways.

A good start to understanding containerization, and of eventually evaluating it in light of your own needs and benefits, is in a look at the "big push" behind this technology. Shippers and those using their services, must both benefit if containerization is to amount to anything.

Transportation men, generally, want containerization, to take hold. Truckmen meeting at the Operations Council of the American Trucking Association this year listed several big advantages to themselves in containerization:

- Labor savings. Less loading-unloading handling time losses where drivers wait for work.

- Greater utilization of equipment. Trucks are less tied up in loading-unloading operation; more time freed for "moving" the

important cargoes over the roads.

- Reduction of O.S.&D. (overload, short load, and damage). Handling less units of cargo means less damage, less losses, and less claims.

In greater or lesser measure these advantages accrue also to other shipping mediums. Many of the major steamship lines are expanding their unitized cargo operations. Grace Lines, Bull Lines, and American President Lines, among others, are active in containerization.

Railroads, such as the New York Central, Burlington Road, and the Milwaukee Road, now have launched containerization programs. And at airports, unit cargo handling is becoming more and more in evidence.

Even transportation executives who are not completely "sold" on containerization still realize the

necessity to move with the tide.

As standardization of containers evolves, integration among types of carriers will increase. No transportation medium or company could then afford not to be willing and able to accept containers from other mediums or companies.

What about advantages in containerization to those who ship by the various transportation mediums? Generally, four distinct advantages are cited by those shipping in unit loads:

- Labor savings. Less time and personnel needed in unloading a "box" rather than numerous parcels.

- Less damage and pilferage. Closed "boxes" are more secure than loose loads and require smaller number of "exposures" at terminals and other shipment

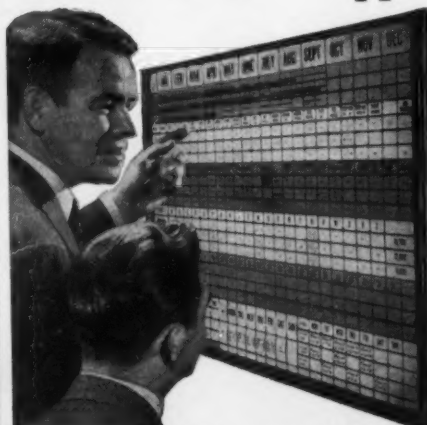
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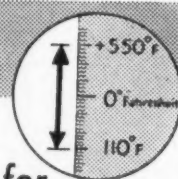
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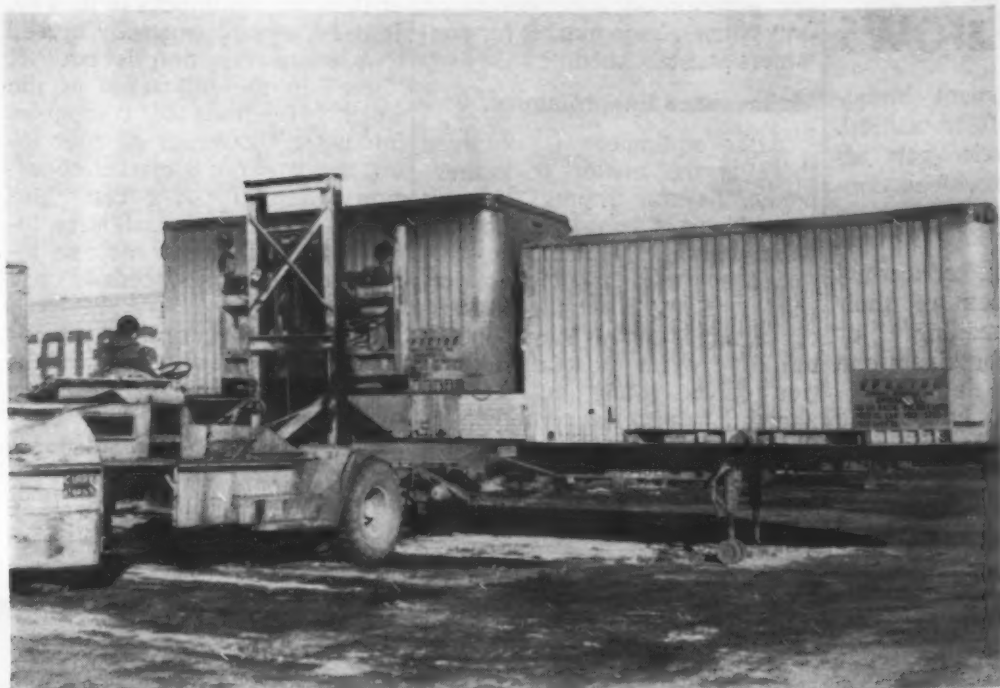
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HIGHWAYS—This motor freight carrier recently doubled its "container" fleet. Note special (and costly) container-handling equipment—a drawback to containerization.



SEAWAYS—Seamobile containers are readied for loading onto a ship. This highlights the integration of containerization (rail to ship) with minimum handling and delay.

Containerization

transfer points where pilferage can occur.

- Faster, cheaper "through" routing for LCL and LTL shipments possible. Three size categories of containers in general use permit favorable "unit" handling and routing of shipments of varying load sizes.

- More economical and efficient temporary storage. In some cases, loaded containers are taken, on receipt, to heads of assembly or production lines, and there material is issued directly to production as needed, serving as temporary

storage enclosure. Empty containers are sometimes positioned at end of production lines in factories to be directly loaded with finished pieces for shipment as they are completed. Box, when full, is then transferred to shipping platform for truck or rail pick-up.

Also, it is claimed that unitization principle can make inventory easier and less time-consuming. Number of pieces or cartons or weight etc. per container is known. As issues are made, balance in box is easy to calculate.

What about the other side of the coin? (Continued on page 44)



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says William Van Trauren, Director of Purchasing, Dixon Chemical and Research, Inc., Bloomfield, N. J.



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says Richard G. Schorling, Asst. V. P.—Purchasing and Property, CONTINENTAL AIR LINES, Stapleton Field, Denver, Colorado.

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Unions Object, But Containerization Grows

(Continued from page 43)
What are disadvantages or drawbacks, or at least road blocks, to containerization? Here are the "cons" listed by experts:

- Labor difficulties.
- Lack of standardization.
- Investment requirement in containers and container-holding equipment.

Maintenance costs on container equipment.

Labor's views on containerization range from an avowed need of delaying action—to allow resettlement of displaced workers—to outright opposition. *Fleet Owner* magazine, in a recent special report on containerization stated the case clearly; "—containerization is viewed by labor as a form of automation, which it certainly is. And unions are trying hard, and rightly so, to protect their members against displacements."

Not Against—Not For

Official stand of the Teamsters Union is: "We don't stand in the way of automated development. Our only position is that the transfer be orderly in its effects on the workers."

But the more directly affected International Longshoremen's Association takes a stronger tack. "We're opposed to containerization," said I.L.A. spokesman, John Condon, to P. W. in a recent interview. "As far as we're concerned," he said, "It'll cut down on our working house—all the way down the line from stevedore to clerk."

"While we wouldn't want to stand in the way of progress, we don't feel it would mean progress in our industry. Our union will oppose any moves toward containerization. I can't release just what form our opposition will take, but we have an economist working on that end of the contract."

Longshoremen's Threat

One form labor opposition took was seen in walkouts by longshoremen on piers earlier this year. The mere possibility of similar action in the future seems to hold back some potential container manufacturers and carriers from greater efforts toward containerization, according to some observers.

On standardization the U. S. Department of Commerce has this to say, "the whole concept of containerization can succeed or fail on the standardization issue."

Under sponsorship of the American Standards Association, the American Society of Mechanical Engineers and the American Materials Handling Society are currently hard at work on setting size standards for small, cargo, and van containers for "integrated transportation and for optimum carrier interchange." It is not yet known just when these standards may be established and approved.

There has now been a "substantial measure of agreement" between defense and transportation officials on uniform containers usable by land, sea, and air for commercial as well as military services. The National Defense Transportation Association has arranged for a large pool of containers usable almost anywhere in the world and for almost

any but highly specialized freight transport purposes.

But standards, generally, are not yet fully realized.

Large investments are required of freight movers to "get into" containerization. A leader in container development, Trailmobile, Inc., charges "7,000 to \$7,500 for full van-size rigs."

Also special equipment is usually needed to handle containers. For just special fork trucks this can be costly. One van straddle carrier (now used) costs \$25,000.

And there is the question of

whether the equipment investment will ever be fully utilized. After a freight carrier gets his own equipment, users of his containers must also acquire handling equipment.

Too, shippers are concerned about full utilization of their "boxes". "Dead-heading," or partial loading of containers can defeat their purpose financially.

Shippers do not expect the risky investment climate to ease until there are more containers in use and until final A. S. A. standards are approved. Others

see widespread containerization only when a lease market for containers is established.

Maintenance Important

After equipment is obtained there is the matter of maintenance. Several shippers claim it is the "lack of knowledge" of just what will be maintenance costs that keeps them from containerization. Several put the obsolescence factor in this same line of thinking. With the containerization drive, young but moving ahead, it is uncertain whether today's containers will be long "up-to-date."

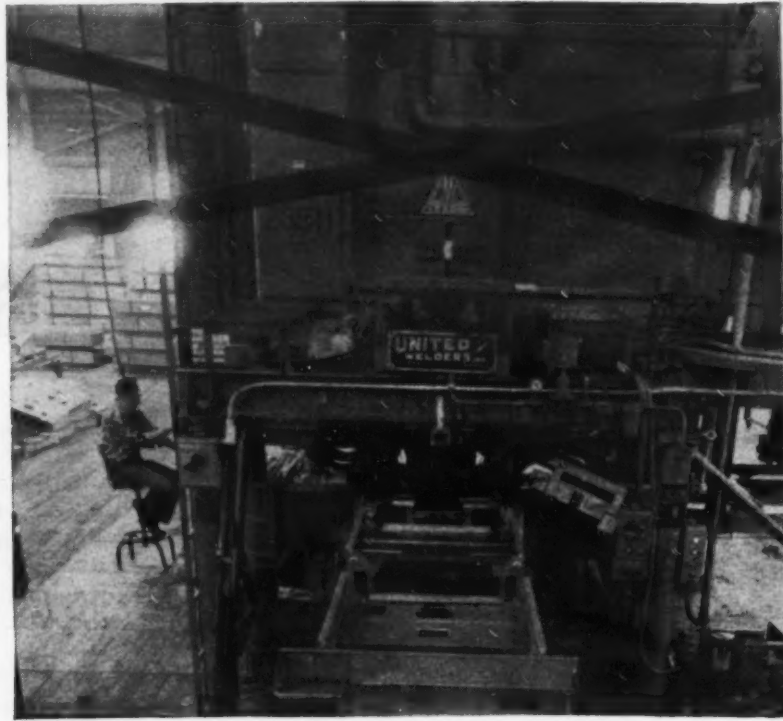
Most observers feel the drive behind containerization is strong-

er than the roadblocks in its way. It is even more generally agreed that containerization is not yet "here" in the full sense of the word. Hundreds of companies are using thousands of containers, but it is not a market condition where P. A.'s can shop widely and compare. Source location, and ability to meet an individual company's needs are still the problems.

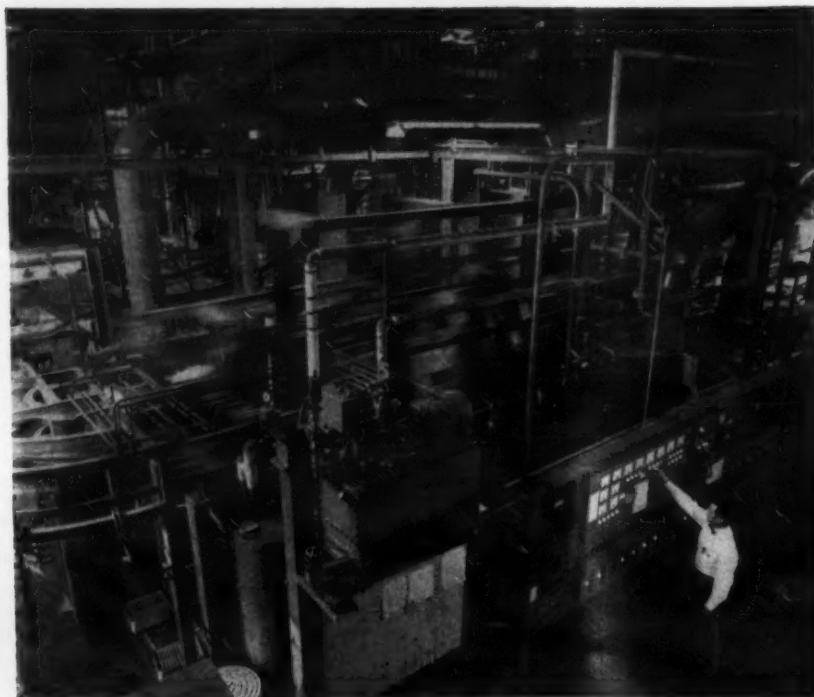
P. A.'s can query their present shippers, review the present means involved in getting their purchased materials into their plants, keep an eye on standards progress, and be ready when containerization can result in a pay-off for them.



1. Initial stamping. This 850-ton press in the range plant at GE's Appliance Park, turns out range bodies (flat) at the rate of 300 an hour. Used in the press are Gulfcrown® Grease, a Gulf E.P. Lubricant and Gulf Harmony® oil.



2. Welding and forming. After leaving the press, the flats are assembled in an automatic welder-former (background) and proceed on a fully automated line that has over 400 lubrication points, all serviced with six Gulf lubricants.



5. High speed plating. Hydraulic system in foreground provides power to move plated components (such as broiler trays) through plating tanks. Gulf Harmony is the power medium in this and other such plant systems.



6. Completed ranges. Operator tests a removable oven door on a GE range moving along the free standing assembly line. More than 1,600 of these units are turned out daily at GE's Appliance Park.

Large electric range plant meets complex lubrication

GULF MAKES THINGS

"We turn out more than 1,600 ranges a day in a highly mechanical plant that has thousands of lubrication points. Up until 4 years ago we had the problem of too many lubricants—dozens of them—that had been purchased for specific machines and applications. Each served its purpose well, but handling was complicated."

"A Gulf Engineer—after a comprehensive survey of our lubrication problems—helped us reduce our plant lubricants from dozens down to a total of only six Gulf

oils and greases—and helped us set up lubrication schedules that pay off in greater efficiency."

That's the word from W. G. Montgomery, Superintendent of Building, Tools and Equipment in the Range Department of General Electric's huge Appliance Park near Louisville, Kentucky.

Shown above are a few of the highlights in the automated forming and assembly line at the General Electric range plant—where all lubrication needs are met by

Air Freight Carriers Bid For New Volume Rates

Honolulu—Air freight carriers are bidding for mass traffic markets over the North Atlantic and central Pacific routes.

The International Air Transport Assn. announced last week overseas carriers have agreed on new volume discount rates that will provide sharp discounts on a wide range of commodities starting next April 1.

Association members, completing a three-week air traffic conference, also agreed to establish lower rates for general cargo with improved weight breaks.

An association spokesman said

they expected the lowered cargo rates to give a special boost to North Atlantic cargo traffic, which already is headed for a new record in 1959.

W. Gordon Wood, chairman of the traffic conference, said the members revalidated normal cargo rates on all international routes but provided for "drastic reductions" on specific commodities to generate an even bigger boom in North Atlantic traffic by encouraging volume shipments.

According to Wood, the reductions will reduce some rates to as low as 33¢/lb. Although

some commodities move for as little as 40¢/lb now, most are in the 50-55¢ range.

The new weight-break set-up will provide for a 35% reduction from the 100/lb. rate at the 1,100/lb. point.

Crane Buys Out Chapman

Chicago—Crane Co. has announced acquisition of Eastern production facilities with the \$11.2 million purchase of the Chapman Valve Manufacturing Co., Indian Orchard, Mass.

There's Fire In Dixie's Eyes As I.C.C. Weighs Northern Rail Rate Proposals

Asheville, N. C.—Southern governors are organizing their forces to combat Northern railroad rate proposals they estimate will cost Southern shippers \$25 million a year.

The freight rate committee of the Southern Governors Conference last week asked each of the 16 member states to contribute \$1,000 as a "freight rate defense fund."

South Carolina Gov. Ernest F. Hollings, chairman of the rate

committee, declared Northern railroads have asked the Interstate Commerce Commission to approve increases on "divisional factors" in inter-territorial freight movements. He said some of the proposed increases range as high as 30%.

The Northern rail rate request amounts to restoration "in another more subtle guise" of freight rate barriers that were removed in 1952 after a 12-year struggle Hollings warned.

Shifting the Burden

Under the present rail rate system, shipment revenue is divided on a "mile for mile equality" giving railroads in the North and South an even break, Hollings declared. But if the I.C.C. approves the Northern proposition now before it, he warned, Southern users of Southern rail services would be required to "subsidize to the tune of \$25 million per year their counterparts in the North."

According to the South Carolina governor, the Northern rail proposal would amount to a direct reduction in the earnings of southern carriers which are not "financially robust" enough to absorb the loss.

The Conference freight rate group also said it is continuing to press its fight for maintenance of equal tariffs on lumber and grain shipments in the South.

Matson Hikes Freight Rate 12.5% on Pacific Loads

San Francisco—Matson Navigation Co. has hiked freight rates 12.5% on shipments moving between the Pacific Coast and Hawaii. Matson is the only line operating between these points.

The company said the rates, which became effective Sept. 14, were necessitated by steadily increasing costs. Matson raised freight rates 13.2% in December 1957, and 9% in January 1958.

Gates Starts Tire Runs In New Plant This Month

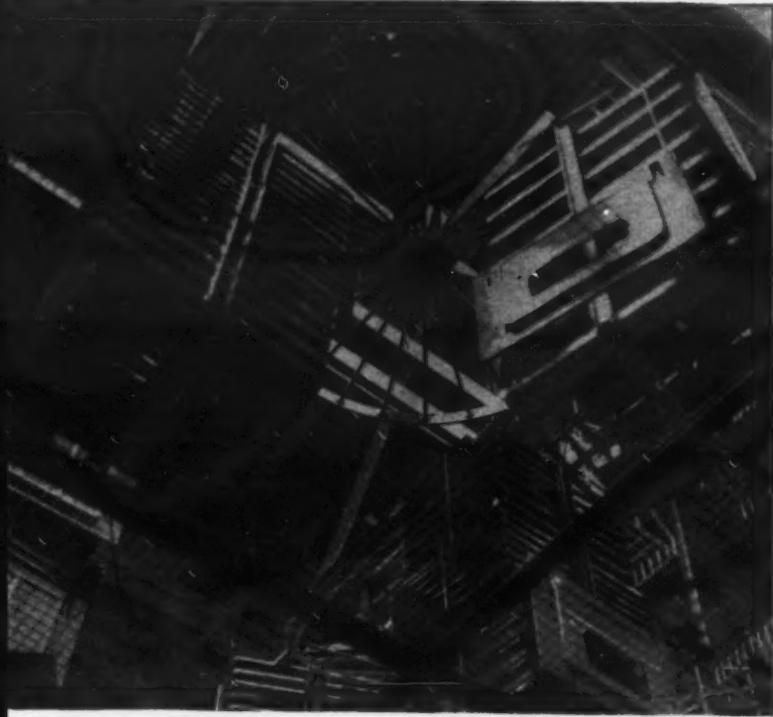
Nashville, Tenn.—Tire production in the new \$9 million Gates Rubber Co. plant here is scheduled to begin this month.

Company officials said they expect production levels to reach 4,000 tires a day by next June and 10,000 a day in about two years.

Gates plans to manufacture V-belts and other industrial rubber products once maximum tire production has been attained.

Steelworkers Settle One Strike, at Least

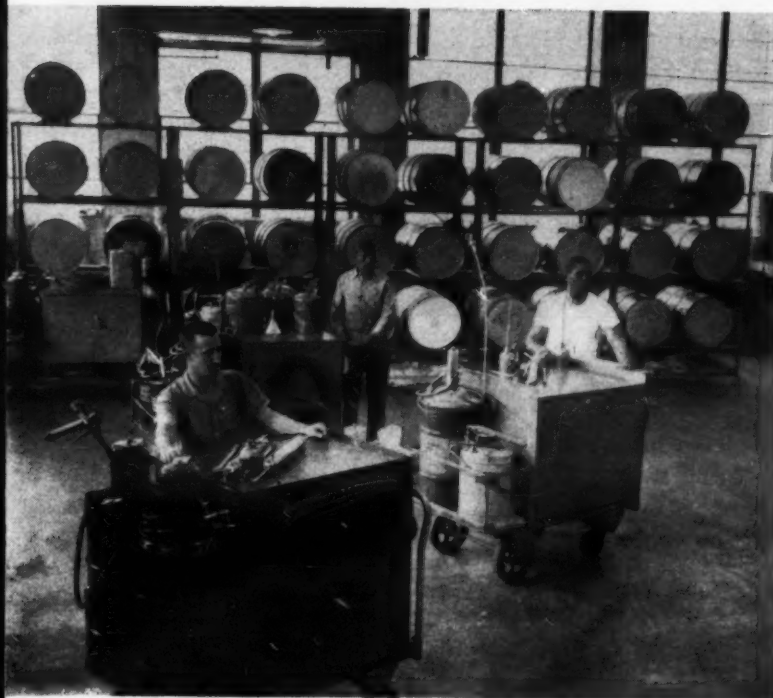
Newark, Calif.—Titan Metal Mfg. Co. and the United Steelworkers of America have reached agreement on a new one-year contract calling for a 10¢/hr. increase. The new agreement, effective immediately, came on contract deadline and thus avoided a work stoppage at the plant.



3. Automated conveying. 12 miles of conveyors move range bodies automatically. Gulfcrown Grease lubricates conveyor bearings. Gulf Harmony oils are used on chains and sprockets. Gulf E.P. Lubricants on speed reducers.



4. Heat processing. Conveyors take range components past batteries of heat lamps. A special heat-resistant Gulf grease lubricates and protects the free roll bearings. Gulf makes things run better—even when the "heat's on."



7. Scientific lubrication. Three oilers, using the same six Gulf lubricants, service entire automated production line. Daily lubrication is done on second shift. Hydraulic systems are changed yearly during summer shutdown.



8. Gulf man on the job checks with GE man on advantages of simplified lubrication plan. Left, W. G. Montgomery, Superintendent of Building, Tools and Equipment, Range Department. Right, Earl Straub, Gulf Sales Engineer.

demands with six Gulf lubricants . . .

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Biggest Rail Merger of Century: Norfolk & Western, Virginian

Washington—The Interstate Commerce Commission okayed the merger of two coal-hauling railroads last week. The commission finally approved a long-standing request to join the facilities of the Norfolk & Western and the Virginia Railway Co.

The move is being heralded as the biggest railroad merger of the century of independently owned and operated roads.

The merged line, expected to start coordinated operations by Dec. 1, will comprise a system running through the Pocahontas soft coal region in Virginia and West Virginia through to Norfolk. It also will extend westward to Cincinnati and Columbus, O., and operate branches through Hagerstown, Md., Bristol, Va., Winston-Salem, N. C. and Durham, N. C.

The combined road will have total assets of \$970 million and its six-state network will rank it as the nation's largest coal carrier.

The I.C.C. said the merger would result in a larger, stronger rail company better able to meet the challenges faced by the railroad industry and to attract and hold competent management personnel.

First attempts to operate the

two lines as a unit were rebuffed 24 years ago when the Norfolk & Western applied to acquire control of the Virginian by lease.

Less than a year ago, the competing soft coal hauling lines began merger talks with an eye toward more efficient operations of their combined 2,746 miles of track. Consolidation of the two roads will result in an estimated \$12-million a year savings through better utilization of track, equipment, etc.

British Purchasing Assn. Sets New Buying Seminars

London—The British Purchasing Officers' Assn. is running a series of purchasing educational courses. Ranging from one to four days each, four programs have been announced.

Lecturers are being drawn from British universities, government, and industry. Subjects to be covered include trends in purchasing and management, stock control, current economic factors in purchasing, government buying, terms and conditions of purchase, efficiency, budgetary control and communications and negotiations.

Crown Zellerbach Sets Plans For Two Industrial Chemical Plants

Bogalusa, La.—Crown Zellerbach, Corp. has announced it will begin immediate construction of a chemical complex at its pulp and paper mill site here.

Scheduled to begin operations in early 1960, the new facility will consist of two plants for manufacturing industrial chemicals derived from the kraft pulping process.

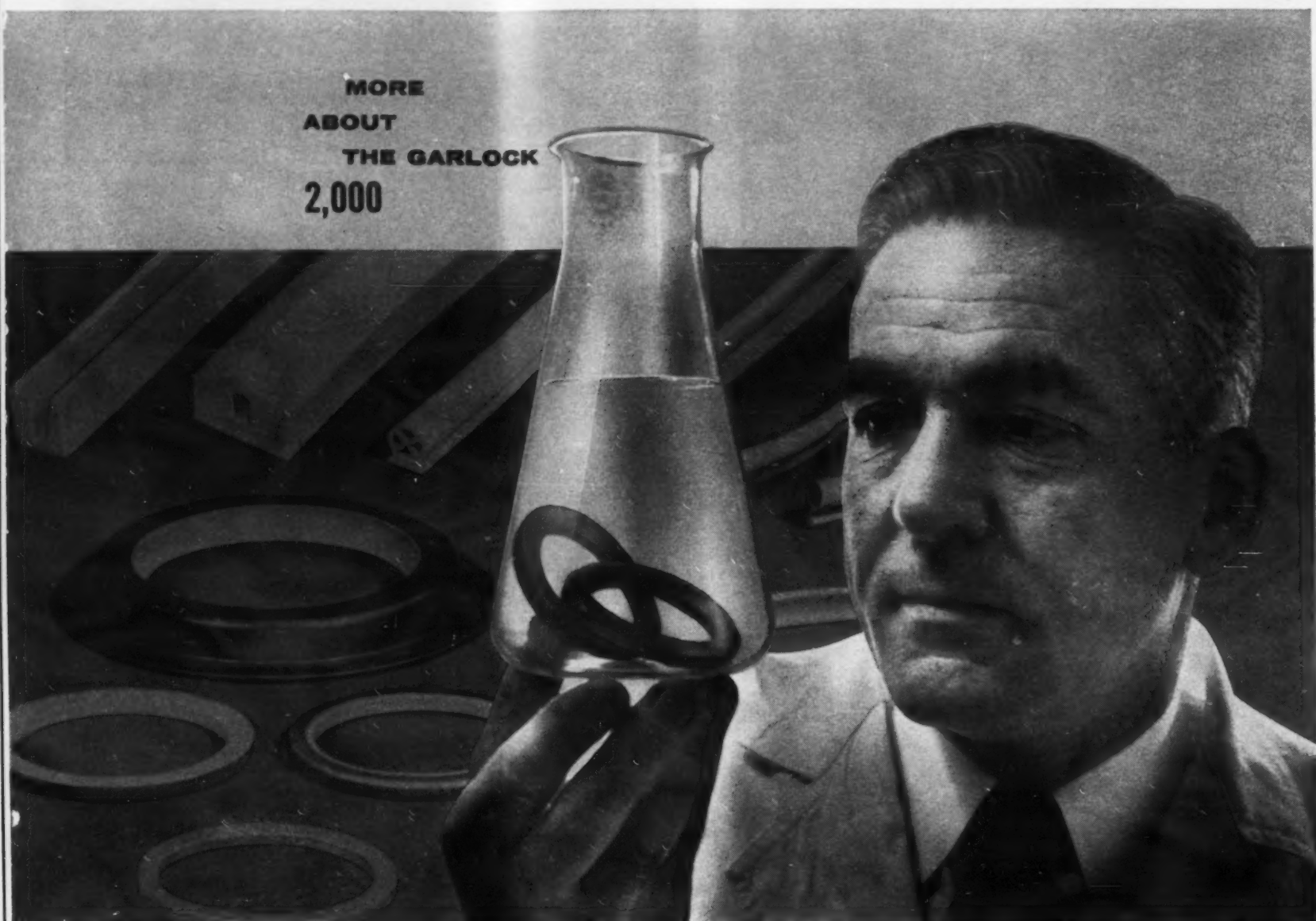
First plant to be completed will be a 5-million-lb. capacity dimethyl sulf-oxide (DMSO) facility. DMSO is a powerful in-

dustrial solvent used in a variety of synthetic fibers, agricultural chemicals, insecticides, paint strippers, brake fluids and in petroleum refining processes.

Shortly after the DMSO plant goes on stream, Crown Zellerbach expects to complete a facility for making dimethyl sulfide (DMS), the base from which DMSO is made.

The DMSO producer, with an annual capacity of 10 million lbs., also will turn out methyl mercaptan.

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point and the increase in length accurately recorded. Scientific measurements like this using ASTM methods, plus quality control throughout manufacture, assure you of the finest molded and extruded rubber parts available. Special attention is given to compounds which must meet military and SAE-ASTM specifications.

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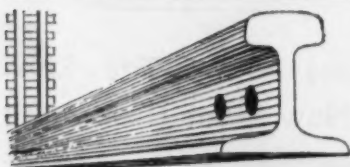
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Purchasing Perspective

Purchasing Pitfalls
In Defense Work

(Continued from page 1)

agent can get caught in the middle when a project is cancelled without warning.

Rights of a subcontractor are not necessarily fixed by government policy in such cases. Settlements must be negotiated anew each time with the prime contractor. The government shies away from making a direct settlement with subs because even one barely liberal agreement of this type could inspire other subcontractors to go running to the government every time they disagree with their primes.

A number of attorneys have drawn up standard termination clauses (try to find one in military contracting), which they propose to make mandatory in all government contracts. But, in the meantime, government subcontractors, whose ranks have been swelled by the weapons system concept, and whose complaints grow ever louder, must continue to take new precautions.

"It's hard to realize," comments one West Coast attorney with a broad clientele of subcontractors, "that nine out of 10 small firms in the sub class walk into a government job without a lawyer. Some don't even call in their accountant."

What are some of the easy pitfalls for a purchasing agent who acts without the advice of his company attorney?

For one thing, he may make an oral purchase order. And on a government contract, that can be poison. Before a written confirmation can even be drawn up, there may be a change and the item purchased no longer is needed. A San Francisco attorney, whose firm is handling several such cases right now, comments: "That will produce a king-sized lawsuit every time."

Over-eagerness is another purchasing miscue in government subcontracting. It is dangerous to act hastily in issuing a purchase order without checking the contract for administrative clauses or other red tape which might affect conditions of payment. A firm commitment to pay the vendor may be made, but a termination at this point could make it impossible for the P.A.'s own company to be reimbursed.

Where does that leave the purchasing agent's company? Where does it leave the vendor?

While one potential solution to the purchasing agent's dilemma may come out of continuing legal pressure for a mandatory subcontractor's protective clause, the ultimate solution probably lies with defense contractors themselves. Executives of top-flight primes continually preach the necessity of establishing good relationships between primes and subs. The worth of a "good, clean contractual agreement" cannot be exaggerated.

Another suggestion is the use of more legal counsel on both sides for the express purpose of clarifying conditions under which a purchase order can be drawn up . . . and for clarifying procedure to be followed in event of termination for any of various reasons.

Some big contractors also urge more extensive use of electronic accounting methods, even if the work must be farmed out, so that figures needed in purchasing activities will be instantly available.

Rx for Inflation: Political Action

Chattanooga — Purchasing "politicians" can do much to withstand the tide of inflation, delegates attending the N.A.P.A. District 7 conference here last week agreed.

Emphasis on inflation-fighting through "increased political awareness" carried from the speaker's rostrum to hotel lobby conversations. As the purchasing director of one large Southern corporation put it:

"Inflation these days is a matter of politics. Business people in general, including purchasing agents, need to vote, talk, and run for office if necessary to keep the government from letting inflation make a joke of the American dollar."

Dr. Arthur Smith, economist and vice president of The First National Bank of Dallas, Tex., said the "U.S. economy is propelled by politicians who look no further than the next election."

Calls for Budget Balancing

Smith called for budget balancing to renew faith in the American dollar, and to "return financial sanity to Washington." He said the tight-money situation can be eased if the Federal Reserve Bank makes new money available, "but this would add fuel to inflation."

Professional development was on the minds of many of the 350 persons attending the annual conference. One purchasing agent from Birmingham, Ala. declared that "a lot of purchasing people



SALESMEN as information sources can often help the P.A. do a better job, W. F. Robertson of Riegel Textile Corp. told Chattanooga P.A.'s.

think professional development starts with management recognition. This couldn't be farther from the truth.

"Professional development," he added, "starts with purchasing education and training, then follows with a lot of hard work. After that, there naturally comes management recognition—but only after a P.A. has earned that recognition."

Discussing the subject at a conference session, Marshall Edwards, district chairman of the N.A.P.A. professional development committee, listed these qualities of a true professional:

- Proven ability to do his job.
- Adequate training.
- A sense of ethics.
- A desire for self-improvement.
- A willingness to do research in his field.

Another well-attended session was a talk by W. F. Robertson, vice president of Riegel Textile Corp., who urged P.A.'s to make more use of salesmen.

"Don't overlook the grapevine as one of the most accurate and fruitful sources of information," Robertson said. "There's a grapevine in every industry, and it's a gold mine of information."

P.A.'s Shoot for Trade, Professional Advances

(Continued from page 1)

agent for Cincinnati, Ohio was: "This is a problem of national economic importance and therefore a policy should be set by the Federal Government."

The importance placed on increased professional recognition resulted in a resolution being passed by the N.I.G.P. executive committee and unanimously endorsed by the membership.

The resolution called for the establishment of a standing committee on professional development of purchasing with three primary aims:

1. To explore with leading instructors of higher learning the possibility of developing courses of instructions leading to degrees

in the field of government procurement.

2. To study the possibility of establishing in the Institute a system of certification of N.I.G.P. members by which professional status may be attested publicly.

3. To review additional or alternate methods of bringing about public recognition of the professional competence of those who buy for governments.

Rexford G. Wessells, chief procurement officer for Washington, D. C., speaking at a breakfast session of city, county, and district P.A.'s pointed that increased professional recognition of the public buyer is a must in order to:

"Protect the public purse, strengthen moral and ethical codes in the expenditure of public funds, cope with the ever broadening responsibilities of public purchasing executives, improve

government operation through more effective supply management, and to provide incentive for the men now in public purchasing and to insure that those who follow will be of the highest caliber."

Value analysis was another topic that drew attention at the conference. John F. Ward, city purchasing agent for Chicago, drew a round of applause when he stressed that "a good government purchasing agent is a good value analyst."

"Value analysis sets the stage for an entirely new concept of actually the same job, but regarded in most instances as entirely different by those with whom you are working," he said.

"Their participation and their faith in the purchasing department strengthens as they see benefits coming to them through purchasing operations."

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
78 sq Print Cloth, 1959 shipment, yd.	.00125	.2025	High Demand
Strychnine, 1000 oz. lots alkaloid, oz.	.17	\$1.82	Short Supply
Sulfate, oz.	.05	\$1.55	Short Supply
60% Muriate Potash, imported, per unit K20	.02	.545	Seasonal
50% Sulfate Potash, imported, per unit K20	.02	.86	Seasonal
Gum Turps., So., gal.	.0125	.545	Low Prod.
Copra, coast, ton	\$5.00	\$255.00	
Menthol, Japanese shipment, c & f, lb.	.60	\$6.65	High Demand
Menthol, Brazilian, lb.	.05	\$6.25	high demand
Casein, Argentine, crlts., lb.	.0025	.2125	high demand
Gum Turps., So., gal.	.0025	.535	low prod.
Copra, Coast, ton	\$2.50	\$252.50	
Print Cloth, 78 square, 1959 shipment, yd.	.00375	.205	high demand
REDUCTIONS			
Manila Hemp, various grades	3%	Nylon Compet.
Polystyrene, high impact, tankcar, lb.	.025	.285	Prod. Econs.
Medium impact, tankcar, lb.	.02	.26	Prod. Econs.
Transistors, computer & communications use, Philco	20-35%	
Tin Salts, Crystals, anhyd., lb.	.006	\$1.007	metal dips
Sodium Stannate, lb.	.006	.642	metal dips
Potassium Stannate, lb.	.005	.754	metal dips
Gasoline, reg., fair tr., N.J., dlr. tkwgn., gal.	.01	.14	oversupply
Premium, gal.	.01	.165	oversupply
Gasoline, reg., Conn., dlr. tkwgn., gal.	.007	.145	oversupply

New Jersey Purchasing Agents Give The Word to 1500 State Students

Newark, N. J.—The Purchasing Agents' Association of North Jersey gave some 1500 college and high school students persuasive reasons for making purchasing their career last week.

The North Jersey industrial buyers participated in a two-day "Career Program" planned by Newark Colleges of Rutgers University in co-sponsorship with the Newark W. M.-Y. W. C. A.

Twenty-seven industries and professional associations set up exhibits designed to give the youngsters a better idea of what they wanted to do in life.

Members of the North Jersey

P.A. stood by at the impressive "Purchasing Promotion" booth to answer questions and distribute literature on their profession.

Said North Jersey P.A. secretary John Babiy: "When a young man asks me why he should go into purchasing, I tell him the profession today is a field which is getting more and more attention because of the opportunities it offers."

"Industry today needs good active minds to perform these purchasing functions—and it is willing to reward young men who can do the job."

Nuts and Bolts Makers Feel Sharp Steel Pinch

New York—Steel shortages are punching holes in fastener industry production. Producers admit that, beginning Nov. 1, the situation will grow progressively worse.

"By that time, one fastener size after another will become unavailable whether the steel industry is operating again or not," a Chicago fastener executive told PURCHASING WEEK.

While other producers were not as decisively pessimistic as this, the general attitude certainly pointed toward a "cloudy if not downright doubtful future" as far as availability is concerned.

A Few Bad Spots

A spokesman at Russell, Burdall & Ward Bolt and Nut Co., New York, said that a few bad spots have developed in the company's steel supplies and also finished stocks. He cited 5/8" diameters as one instance.

The spokesman said normal production probably would continue through October and production on a spot-basis through at least part of November. After that, he said, things look on the dark side.

Stanley Marsh, sales manager for Allmetal Screw Products Co., Garden City, L. I., said his firm

also is beginning to feel the pinch, "particularly on specials."

"We're getting tight on materials for certain specials," he explained. "And you can bet the situation will get tighter and tighter even if the steelworkers go back to work this week."

Marsh said that while his firm's finished stocks were still "in good shape," they were getting spotty. "Purchasing agents can expect the situation to get worse before it starts getting better," he pointed out.

A large Midwest fastener producer has stopped production of commercial grades of fasteners, but still is supplying aeronautical grades without too much trouble up to now.

A spokesman for the firm said commercial buyers can buy aeronautical grades instead of commercial grades, but the price is higher.

An Eastern producer has taken emergency steps to protect supplies. Where the company has only a month's supply of production material left for certain items, it has closed production of those items.

"This way," an official explained, "we'll have something left to start with when the situation gets better."

Senators Swipe At F.T.C. Over The Luria Case

Washington—A Senate small business subcommittee report this week revived the steel scrap industry's intramural battle over allegedly monopolistic practices charged to its biggest factor, Luria Bros. of New York.

Based on testimony taken from Luria's producer and broker competitors, the subcommittee report slaps Federal Trade Commission for taking too long to rule on similar charges in a formal commission case that has been pending for more than a year. The report urges that the F.T.C. case and congressional testimony be turned over to the Justice Department for possible court action.

The report, signed by subcommittee Chairman Russell Long (D., La.) and a majority of the subcommittee on both sides of the political aisle, also criticizes the scrap industry trade association, institute of scrap iron and steel, for its "domination" by Luria—a charge the institute has previously denied.

Four senators refused to sign the report, and dissented from its conclusions: Sens. Alan Bible (D., Nev.), George Smathers (D., Fla.), Jacob Javits (R., N. Y.), and Andrew Schoeppel (R., Kans.).

After the Long Brawl: How Steel Will Flow

(Continued from page 1)

year—might boost the 1959 total to more than 90-million ingot tons, well ahead of the 1958 total.

Production schedules already are pretty well set for all but a few mills (some can't be scheduled quite so readily). Generally speaking, the schedules will give a break to hardship cases as producers try to prevent further layoffs and production cutbacks. But the pattern varies.

Many steel mill sales officials are sticking with plans that orders will be filled—insofar as economical mill scheduling allows—in the order received for delivery during the third quarter. Those trying to alleviate hardships say they have kept a close check on customer buying and requirements and are making a strenuous effort—in drawing up mill schedules—to be fair to all concerned.

Warehouse Situation

Steel warehouses, prime supply source for many steel consumers, fully expect to get their "fair share" of initial production—normally about 20% of total output. Warehouse inventories, up to a substantial 3.7 million tons last July 15, last week dropped down to 1.8 million tons with much of the supply spotty at best. Anytime warehouse tonnage sinks below 2 million, the situation is critical.

Normally warehouses take 25% of the mill purchases in merchant trade products, 25% in oil country goods, and the remaining 50% (which equals 10% of total mill output) in industrial steel products.

The Road Back

The mill production snapback may run something like this:

- 45% production by end of the first week.
- 65%-70% by end of the second week.
- 80%-90% by end of third week, then building slowly to near-top capacity.

Mill officials make no secret of the fact that—where there's a choice—as many ingots as possible will be channeled first into wide-flange beams, cold-rolled sheet, galvanized sheet, tin plate, and hot-rolled sheet. These products are in greatest demand and shortest supply.

Mills will be rolling other products, too. But there just isn't enough capacity for producing the scarce products (such as cold-rolled sheet) and to which more steel can be channeled.

The situation is somewhat similar at plants producing silicon sheet and strip steel. Priority will be given to silicon steel production; but it won't be long before output of stainless, alloy, and tool steels will be back to normal also.

Plants in this production area hope to make small shipments within the first week; substantial output will come within two weeks; regular shipments in normal quantities are expected within four weeks.

Filling Back Orders

Purchasing agents who managed to get on third-quarter order books (ahead of the strike) are looking for this sort of shipment schedule:

- June and July orders—10 days.
- August orders—4 to 6 weeks.
- September orders—8 to 10 weeks.

It's obvious from all forecasts, however, that any temporary production will barely take care of current production needs in the weeks between now and Christmas. There will be little, or no room for stockpiling.

In Pittsburgh, mill sales officials say they welcome frank discussion with their customers—"We want as exact an idea as possible of where they stand in terms of steel supply and their coming needs."

Other mills report their sales people have talked to "everybody who's a substantial customer and we are trying to be just as fair as we can." Sales executives at some plants are offering only the long range hope of "taking care of the demands of most of our customers within the first 70 days of a startup."

One major Pittsburgh producer said its "sales department is taking full responsibility in scheduling both production and shipments during the first few weeks."

"We're making every effort to place orders on the mill as received, in an orderly way," a spokesman says.

Standard Shipping Size May Become 40x8x8

Seattle—Transportation and traffic experts are getting advance peeks at what may become the standard shipping container of the future. Designed for interchangeable shipment by land, sea, and air, it is 40 ft. long with 8x8 ft. height and width, and comes recommended for use single or in basic multiples of 20 ft.

The container was displayed last week by Morris Forgash, president of the United States Freight Co., and Chairman of a containerization and standardization subcommittee of the National Defense Transportation Association.

Read about other purchasing benefits from standardization on p. 38.

Standardized containers that are interchangeable among various types of carriers, Forgash told an N.D.T.A. meeting here, will "revolutionize" transportation in the U. S. and put the brakes on rising shipping costs.

The recommendations of Forgash's group are now before the N.D.T.A.'s executive committee and also have been forwarded to containerization panels in the trucking and maritime industries.

Coordinated Transportation

"When we have established the standard unit of equipment that can ride on steel rails, highways, on the inland and coastal waterways and the high seas, and in the air, with the facility of interchange and without breaking the seal, then we can reach the goal that has always eluded us—coordinated transportation," Forgash declared.

Forgash pointed out that estab-

lishment of proper freight rates is a must to make a standardized, all-purpose container feasible. He cited the experience of railroads in publishing a flat charge per flat car movement for piggyback service with a specified maximum rate and mixing requirement.

This is "the only basis of charges that provides any hope to the common carriers of stemming the tide to private carriage," Forgash declared. Forgash, whose U. S. Freight Co. is the biggest freight forwarding firm in the country, sees the standardized container as the answer to a present imbalance of rail traffic movement in which approximately 40% of total mileage

represents transportation of empty cars.

"If the all-purpose container should even cut the empty mileage in half—and I predict it will do better than that—the savings in cost could not help but reduce the price of public transportation," he said.

Forgash predicted that roller-bearing piggyback equipment, with freight cars hitched to passenger trains, will shrink freight transit time between the East and West Coasts to 48 hours. He believes that 75% of all manufactured goods eventually will be carried in standardized containers and expects substantial progress in this direction within the next year.

U.S., Says Industrialist, Asked For Foreign Trade, Shouldn't Bellyache

Detroit—A leading industrialist said last week that U. S. manufacturers cannot afford to "sit back and complain" about low price competition from European producers.

Melvin H. Baker, board chairman of National Gypsum Co., said the St. Lawrence Seaway is bringing American companies face to face with the facts of life—that European companies now have an open door to the American heartland.

"The influx of foreign goods into the Midwest is, of course, good news to the people who buy the products, but not so good for the manufacturers of similar products here," Baker said.

Baker said foreign producers cannot be blamed for taking advantage of the Seaway's oppor-

tunities. But he said the problems which have beset Midwest industry since the Seaway opening eventually will be solved—with the same American know-how that the Europeans adopted to press their current advantage here.

"Foreign competitors may win a round or so," Baker told the annual meeting of the Propeller Club of the United States last week, "but the decision in the long run will be ours."

U. S. producers must think seriously about meeting the prices of European goods, he said. The competition has the advantage of "low cost labor" and comparatively cheap shipping costs.

He called for "dynamic thinking" to meet the challenge, not "predicting doom."

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